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Surveys of Consumer Attitudes

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BUYERS DELIGHT IN INTEREST DISCOUNTS

- In the August 1985 survey, the Index of Consumer Sentiment was 92.4, just below the 94.0 recorded one month earlier. The August 1985 figure is 6.7 Index-points below the year earlier reading, but remains just above the August 1983 figure of 90.9. Reduced interest rates on consumer loans have maintained buying attitudes at near record levels. Although consumers expected slow economic growth during the year ahead, they expected it to be accompanied by low rates of inflation, and only to lead to marginal increases in the unemployment rate.

- Among families with incomes of $25,000 and over, the Index stood at 104.1 in the August 1985 survey, up from 102.6 in July, but below the year earlier figure of 109.2.

- Consumer sentiment has remained at very favorable levels for more than two years, the highest sustained period since the 1960s. But in sharp contrast to the optimism of the 1960s, no boom psychology has developed in the 1980s. Concern with the long term viability of the economy, especially with more limited job prospects in an era of increasing international competition, has caused consumers to adopt a more cautious outlook.

- As the period of economic expansion has lengthened, consumers have increasingly expected the rate of improvement to slow. Only small changes are expected in economic trends during the year ahead. It is this sense of renewed economic stability, in contrast to the volatility of the past decade, that underpins continuing favorable economic assessments.

- The most important factor in shaping recent developments in consumer attitudes and expectations has been that the current expansion has not been accompanied by rising inflation. Despite slow income growth, the low rates of expected inflation have supported favorable prospects for consumers' own financial situation, as well as for the economy as a whole.

- Reduced interest rates on mortgages and vehicle loans were cited in record proportions in the August 1985 survey in support of favorable buying attitudes. Favorable attitudes toward buying conditions for homes were held by 69 percent of all families, with 54 percent that cited the availability of reduced mortgage rates. Favorable car buying attitudes were held by 64 percent of all families, with 35 percent that mentioned reduced interest rates on vehicle loans.

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Consumers now perceive a new advantage in the market place. Gone are the days when consumers felt pressured to act by ever escalating prices. Today, consumers are more willing to engage in comparative price shopping, and expect to be enticed by discounts on prices as well as interest rates. Rather than the consumer scrambling to keep up with price increases, now sellers must scramble to keep up with the more demanding consumer. The recent data indicate that consumer purchases of homes, vehicles, and large durable goods will remain at high levels through the start of 1986, but the maintenance of sales at high levels will depend on the continued availability of price and interest rate incentives.

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Reduced Interest Rates Draw Record Attention

Buying attitudes were maintained at favorable levels in the August 1985 survey due to widespread awareness of reduced interest rates on mortgage and vehicle loans. In addition, consumers continued to hold favorable perceptions of market prices.

Among all families in the August 1985 survey, 64 percent favorably rated buying conditions for vehicles, just below the 67 percent recorded one month earlier, but above the 59 percent recorded one year earlier. In support of these positive buying attitudes, 35 percent of all families mentioned the availability of reduced interest rates on vehicle loans, up from 12 percent one year earlier, and the highest level ever recorded (see Table A). Favorable references to vehicle prices were made by 24 percent of all families in the August 1985 survey, up from 19 percent one year earlier.

Favorable attitudes toward buying conditions for homes were held by 69 percent of all families in the August 1985 survey, just below the all-time peak of 73 percent recorded one month earlier, and substantially above the 50 percent recorded one year earlier. When asked to explain their views toward buying conditions for homes, 54 percent of all families in the August 1985 survey mentioned the availability of reduced mortgage interest rates, up from 22 percent one year earlier, and the highest level ever recorded (see Table A). Favorable references to current market prices for homes were made by 23 percent of all families in the August 1985 survey, up from 14 percent one year earlier, and just below the 20 year peak of 25 percent recorded in 1983.

Buying conditions for large household durables were viewed favorably by 69 percent of all families in the August 1985 survey, just below the 74 percent recorded one month earlier, and the 72 percent recorded one year earlier. The primary reason given by consumers for these favorable buying attitudes was the availability of price discounts. Among all families in the August 1985 survey, 38 percent mentioned the availability of price discounts, above the year earlier figure of 35 percent, but below the all time peak of 45 percent recorded at the start of both 1984 and 1985.

Slower Income Growth
Weakens Personal Finances

In the August 1985 survey, 41 percent of all families reported that their financial situation improved during the past year, down from the cyclical peak of 48 percent recorded in the August 1984 survey. This small decline nonetheless leaves reports of financial progress more frequent in the August 1985 survey than at any time during the 1970s. When asked to explain how their financial situation had changed during the past year, references to increases in family income fell to 33 percent in the August 1985 survey from 38 percent one year earlier. The proportion of families that reported declines in family income was 16 percent in the August 1985 survey, unchanged from one year earlier.

Nearly half of all families expected their future financial situation to remain similar to their current situation in both the August 1985 (48 percent) and the August 1984 (49 percent) surveys. An improved financial situation was expected during the year ahead by 36 percent of all families in the August 1985 survey, just below the 38 percent recorded one year earlier. Very few families expected their financial situation to worsen during the year ahead in the August 1985 survey (13 percent).

When asked about future income prospects, the proportion of families that expected income increases fell to 57 percent in the August 1985 survey, from 63 percent one year earlier. And among families that expected income increases, fewer families expected income increases of 6% or more in the August 1985 survey (31 percent, down from 36 percent one year earlier).

Despite this small decline in financial optimism, consumers remain willing to incur new debt in order to finance major purchases. In the August 1985 survey, 30 percent of all families said that they were not reluctant to buy on credit, up from 28 percent one year earlier, and more than twice the level recorded in 1982 (12 percent). Willingness to use accumulated savings to make major purchases was reported by 36 percent of all families in the August 1985 survey, slightly below the 39 percent recorded one and two years earlier.

Prolonged Slow Growth Expected,
But No Recession

Favorable assessments of the national economy have steadily declined in frequency during the past year, falling to 51 percent in the August 1985 survey, from the cyclical peak of 75 percent recorded in the January 1984 survey. This growing awareness of the slowdown in economic growth, however, has not been accompanied by rising concerns that the economy would fall into recession. Few families in the August 1985 survey expected the economy to worsen during the year ahead (14 percent). Rather than recession, consumers have increasingly expected the national economy to continue at its current slow pace of growth. In the August 1985 survey, 57 percent of all families expected the annual rate of economic growth during the year ahead to be similar to last year's pace, up from 49 percent one year earlier, and 42 percent two years earlier.

This outlook for continued slow economic growth was mirrored in expectations that the aggregate unemployment rate would remain largely unchanged at its current level during the year ahead (52 percent). Among the other half of consumers, however, the balance of expectations pointed toward increases in unemployment (29 versus 17 percent).

While concerns with job prospects represent the negative aspect of the economic outlook, low rates of inflation continued to bolster overall evaluations of the economy. In the August 1985 survey, consumers expected the annual inflation rate to average 3.7%, down from 4.3% one month earlier, and 4.6% one year earlier. That slow economic growth was expected to be accompanied by low rates of inflation has led the majority of consumers to expect good times financially in the economy as a whole during the year ahead (57 percent).

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The August 1985 survey included 650 completed interviews, conducted between August 1 and August 30, 1985.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January	1980	1%	2%	na	na	1%	1%
February	1980	1	2	2	7	1	2
March	1980	1	4	na	na	1	2
April	1980	*	3	*	3	3	1
May	1980	*	2	3	3	*	1
June	1980	2	1	14	2	2	1
July	1980	4	1	17	6	2	1
August	1980	3	2	19	9	3	1
September	1980	1	2	11	11	2	2
October	1980	1	3	6	10	1	2
November	1980	*	2	2	8	1	2
December	1980	1	2	1	5	2	2
January	1981	*	2	1	3	4	1
February	1981	1	2	2	5	2	1
March	1981	1	*	1	4	1	1
April	1981	*	2	3	6	2	1
May	1981	1	2	4	3	3	1
June	1981	*	1	1	4	2	1
July	1981	1	1	2	4	2	1
August	1981	2	1	3	5	4	1
September	1981	*	1	3	3	4	2
October	1981	*	1	1	3	4	*
November	1981	1	1	2	2	5	*
December	1981	1	1	4	2	4	1
January	1982	2	1	5	3	4	2
February	1982	1	1	4	3	3	*
March	1982	*	1	3	2	3	*
April	1982	1	*	4	2	7	*
May	1982	2	1	3	3	10	1
June	1982	1	1	5	2	6	1
July	1982	1	1	2	2	4	1
August	1982	1	1	3	4	5	1
September	1982	3	1	16	4	9	1
October	1982	4	1	19	4	10	1
November	1982	5	*	25	5	19	1
December	1982	6	2	30	5	26	1

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS(Cont'd)

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January	1983	7%	*	33%	4%	27%	2%
February	1983	7	1	35	5	34	1
March	1983	7	1	38	6	33	1
April	1983	12	2	46	8	38	2
May	1983	12	1	49	6	38	2
June	1983	13	3	49	12	38	2
July	1983	14	2	40	9	34	3
August	1983	11	1	33	11	30	3
September	1983	9	3	35	12	25	3
October	1983	6	1	29	9	17	2
November	1983	6	2	29	11	20	2
December	1983	6	1	30	11	16	3
January	1984	8	1	33	8	20	3
February	1984	9	2	38	12	19	3
March	1984	8	2	36	13	19	3
April	1984	8	6	29	23	15	7
May	1984	7	4	24	20	14	4
June	1984	7	4	21	17	12	6
July	1984	5	5	21	16	16	8
August	1984	6	2	22	13	12	5
September	1984	6	2	22	12	11	4
October	1984	7	4	24	11	10	4
November	1984	8	3	33	11	15	3
December	1984	8	2	32	6	12	3
January	1985	10	1	42	7	21	2
February	1985	9	2	42	8	23	1
March	1985	8	2	38	10	21	2
April	1985	10	3	34	13	22	3
May	1985	9	2	35	8	25	3
June	1985	11	2	50	6	32	3
July	1985	13	1	51	6	33	2
August	1985	15	*	54	4	35	1

*Less than 0.5 percent.

[a]Also includes homes, home repairs and real estate.

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

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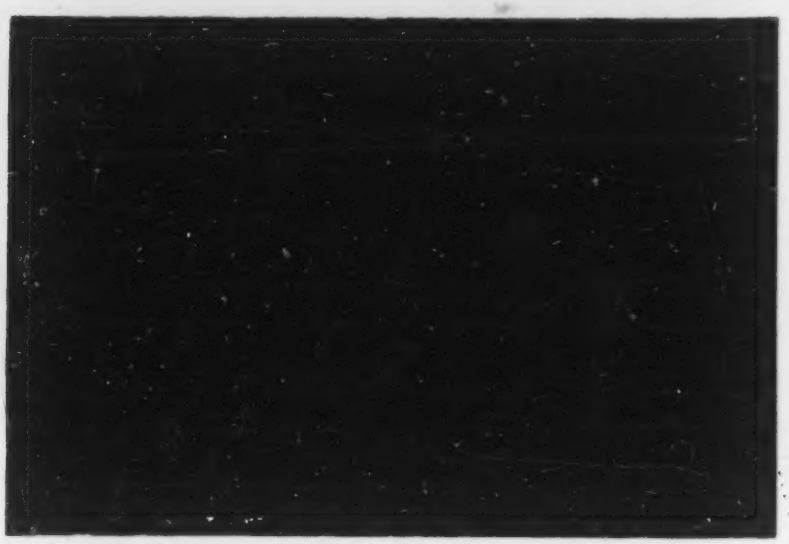
SURVEYS OF CONSUMER ATTITUDES



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TABLES AND CHARTS

SEPTEMBER 1985

The September 1985 survey is the 204th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

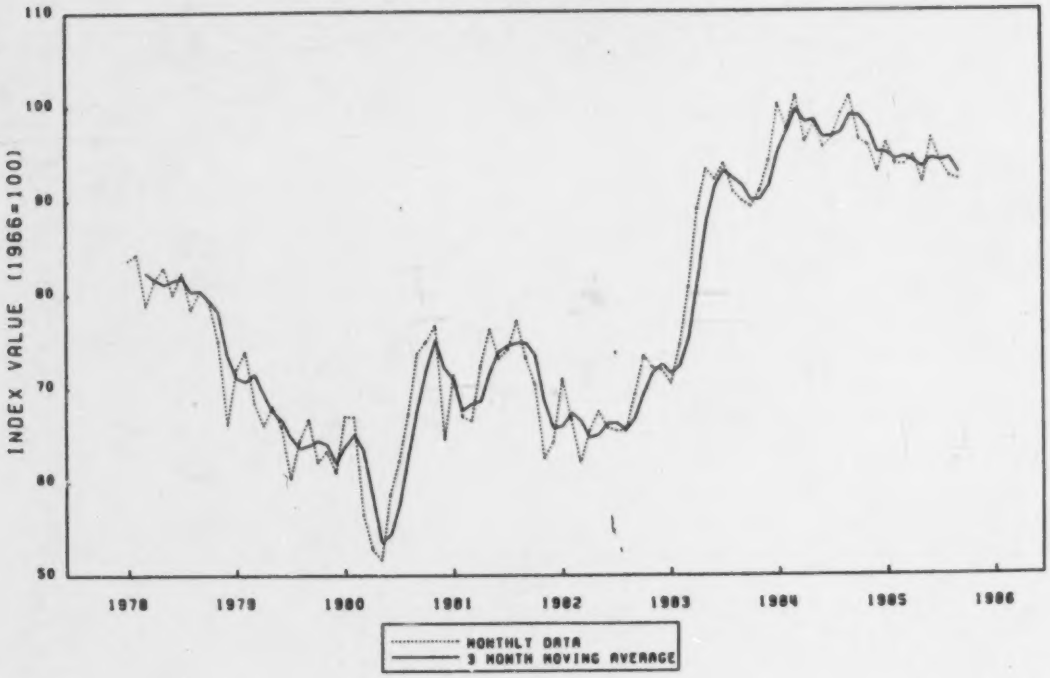


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

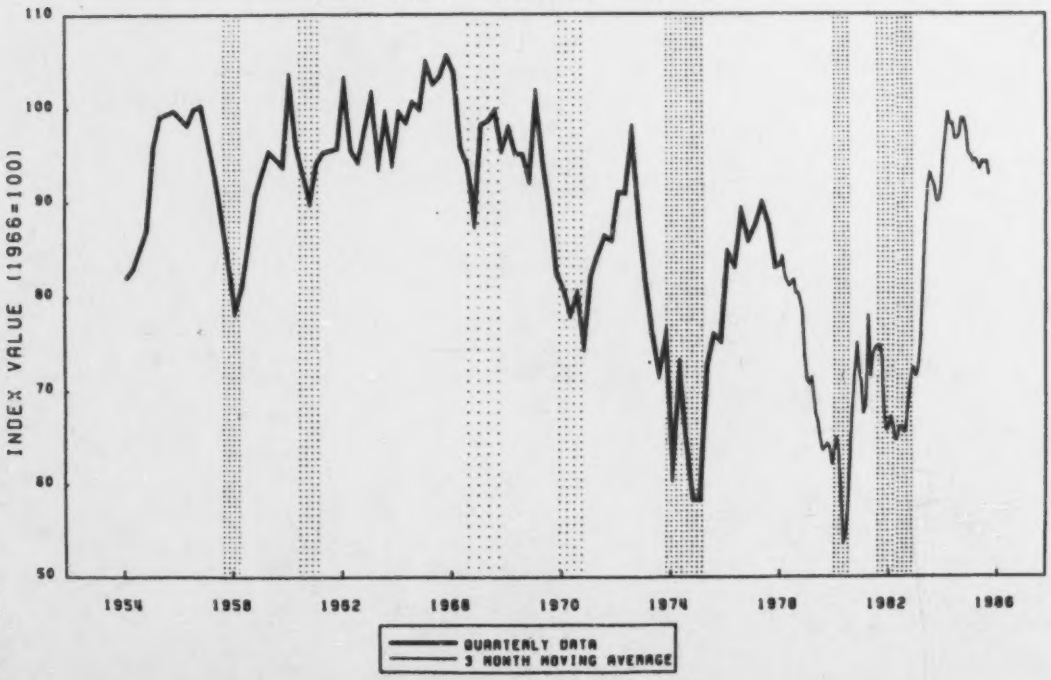


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5
January 1984	100.1	112.0	114.2
February 1984	97.4	109.6	111.2
March 1984	101.0	110.9	114.2
April 1984	96.1	103.9	105.5
May 1984	98.1	105.5	107.1
June 1984	95.5	104.4	104.5
July 1984	96.6	103.2	102.8
August 1984	99.1	106.7	109.2
September 1984	100.9	109.7	111.7
October 1984	96.3	106.2	107.7
November 1984	95.7	108.6	111.0
December 1984	92.9	99.2	100.1
January 1985	96.0	104.1	106.7
February 1985	93.7	105.4	107.4
March 1985	93.7	106.5	108.8
April 1985	94.6	102.8	107.9
May 1985	91.8	99.5	100.3
June 1985	96.5	101.2	104.3
July 1985	94.0	100.0	102.6
August 1985	92.4	99.4	104.1
September 1985	92.1	100.0	99.5

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

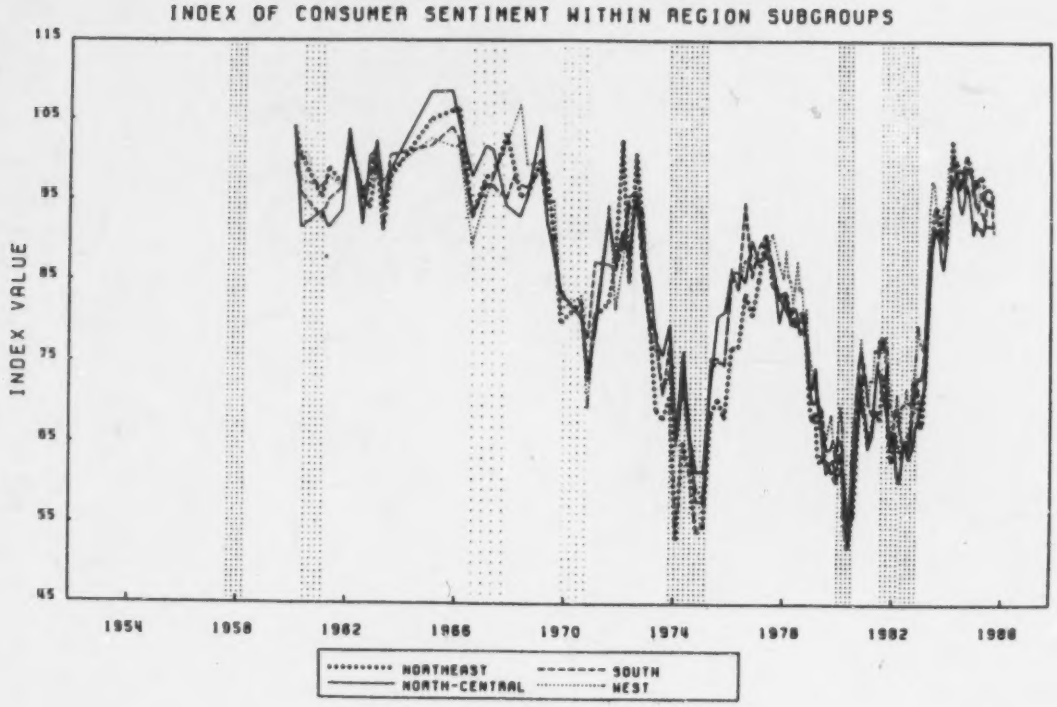


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

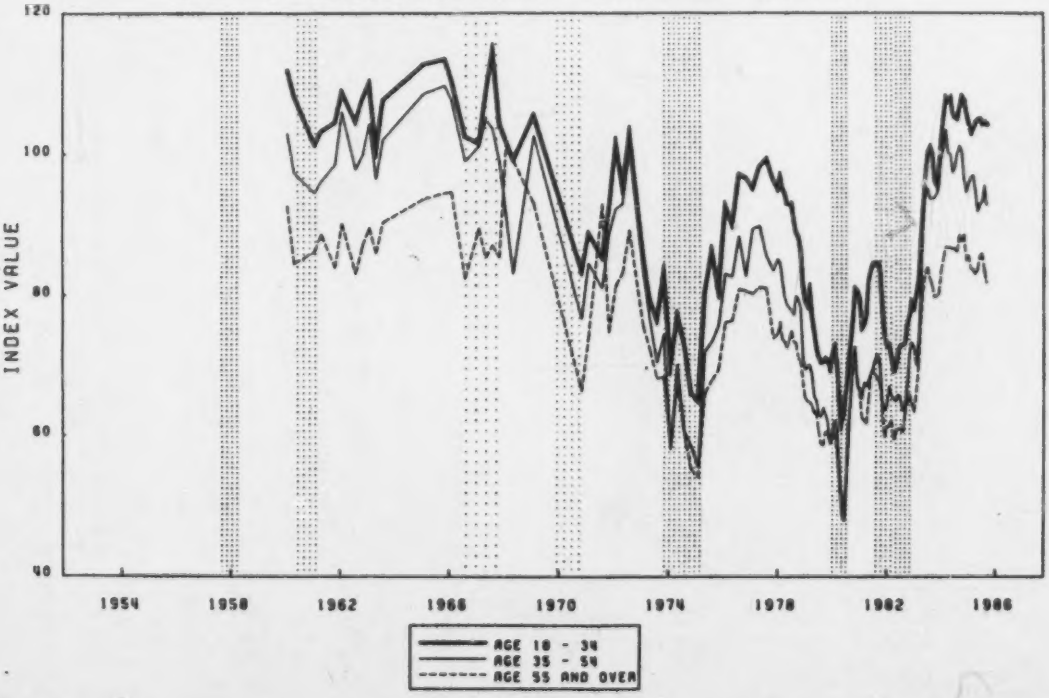


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October 1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November 1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December 1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January 1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February 1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March 1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April 1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May 1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June 1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July 1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August 1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September 1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.7	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

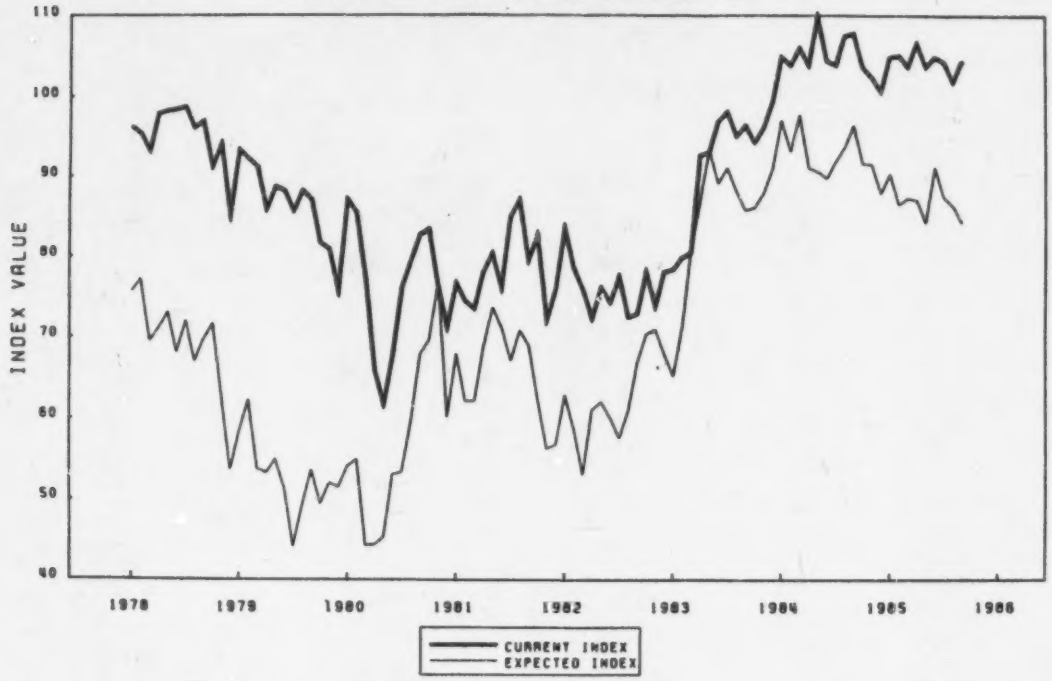


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

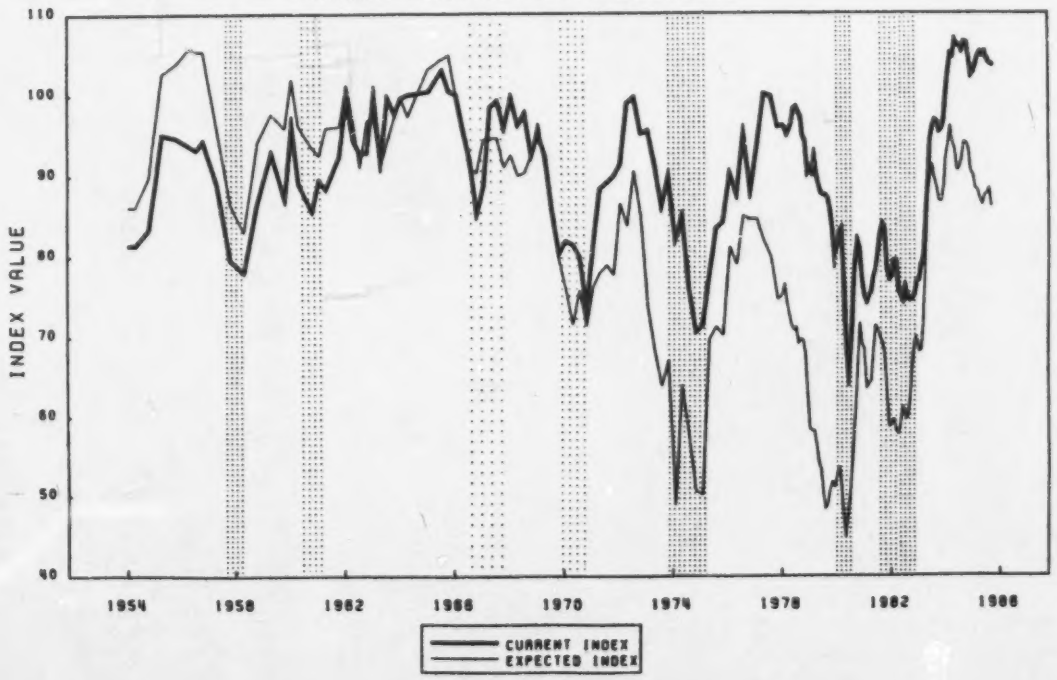


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

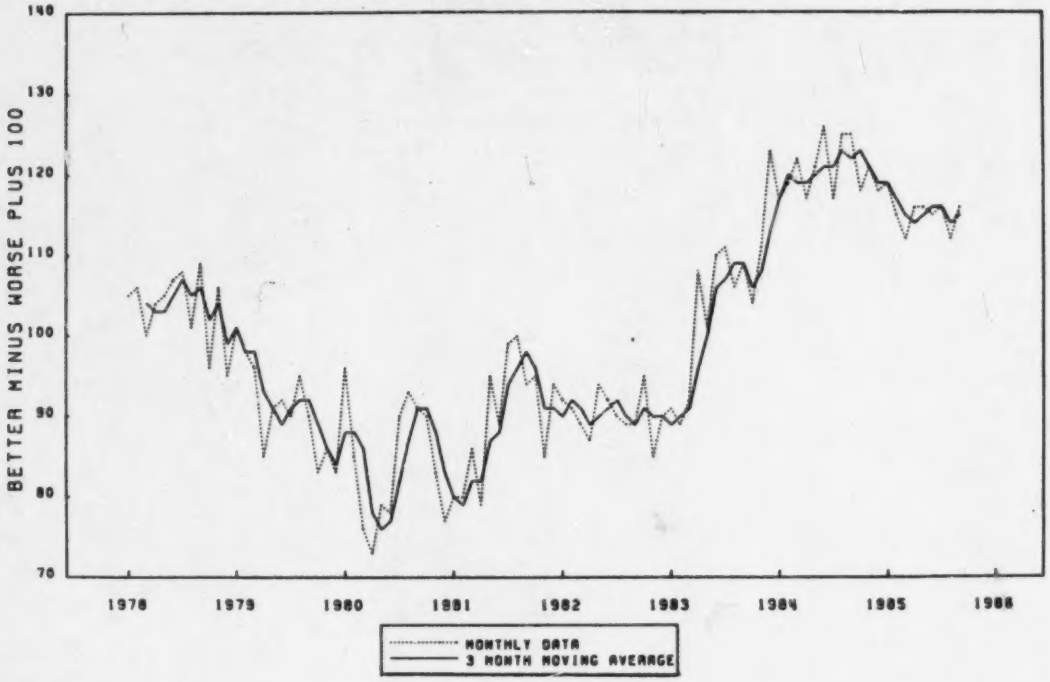


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

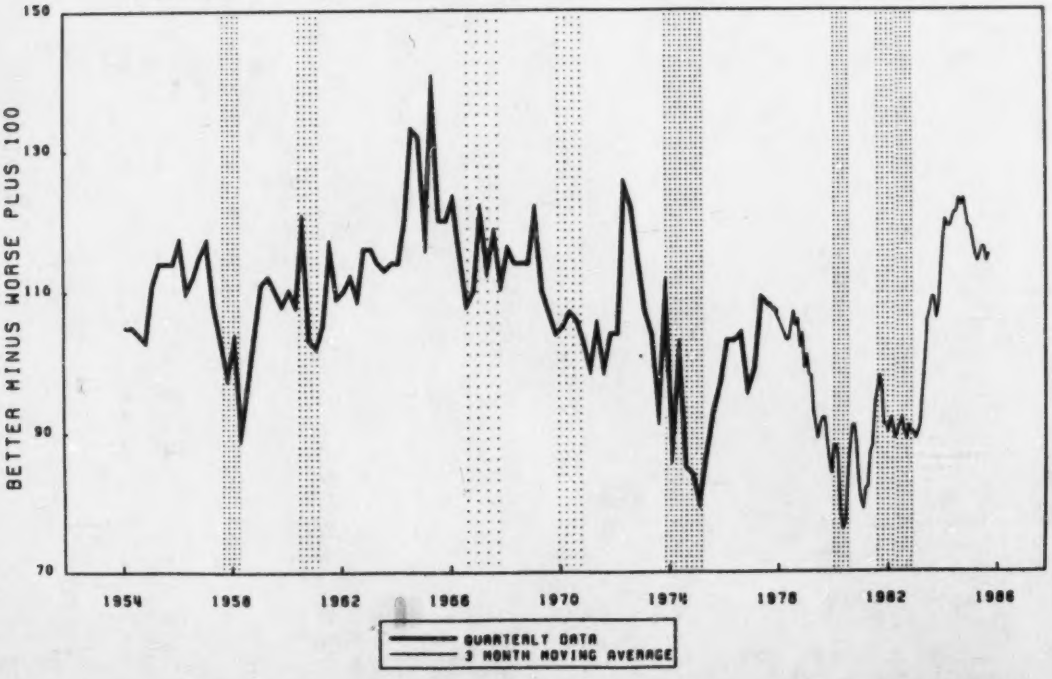


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
BETTER OFF	45%	44%	46%	44%	42%	42%	40%	41%	40%	43%	42%	41%	43%
SAME	35	30	29	30	35	31	32	34	36	29	32	29	28
WORSE OFF	20	26	25	26	23	27	28	25	24	28	26	29	27
DK,NA	*	*	*	*	*	*	*	*	*	*	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	575	661	652	641	650	654

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

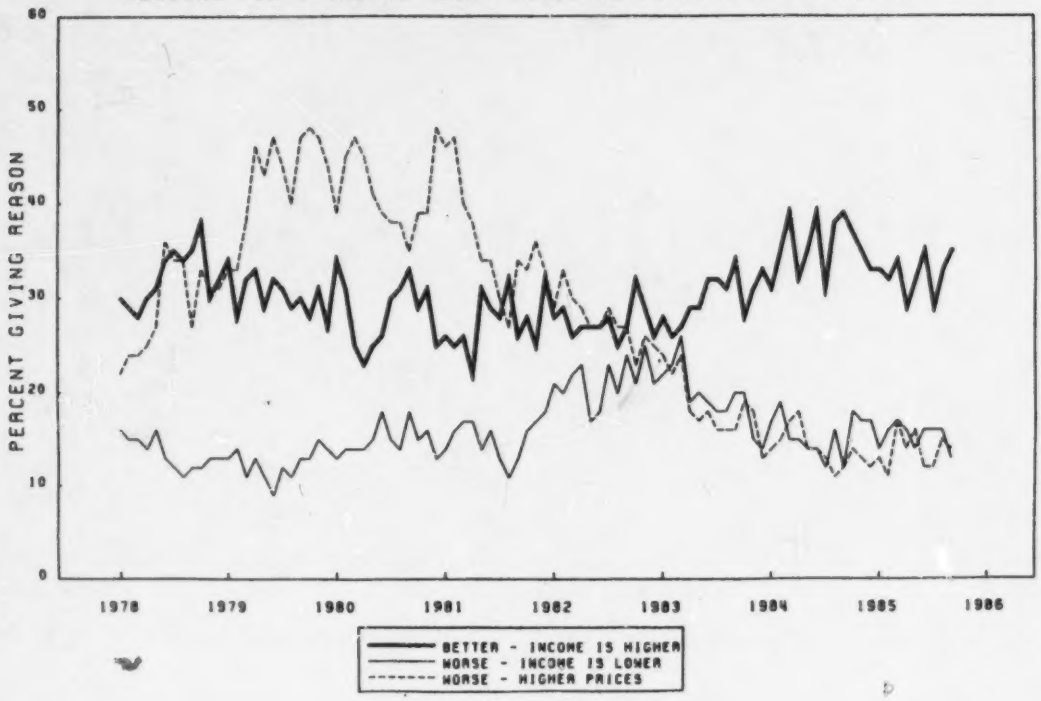


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

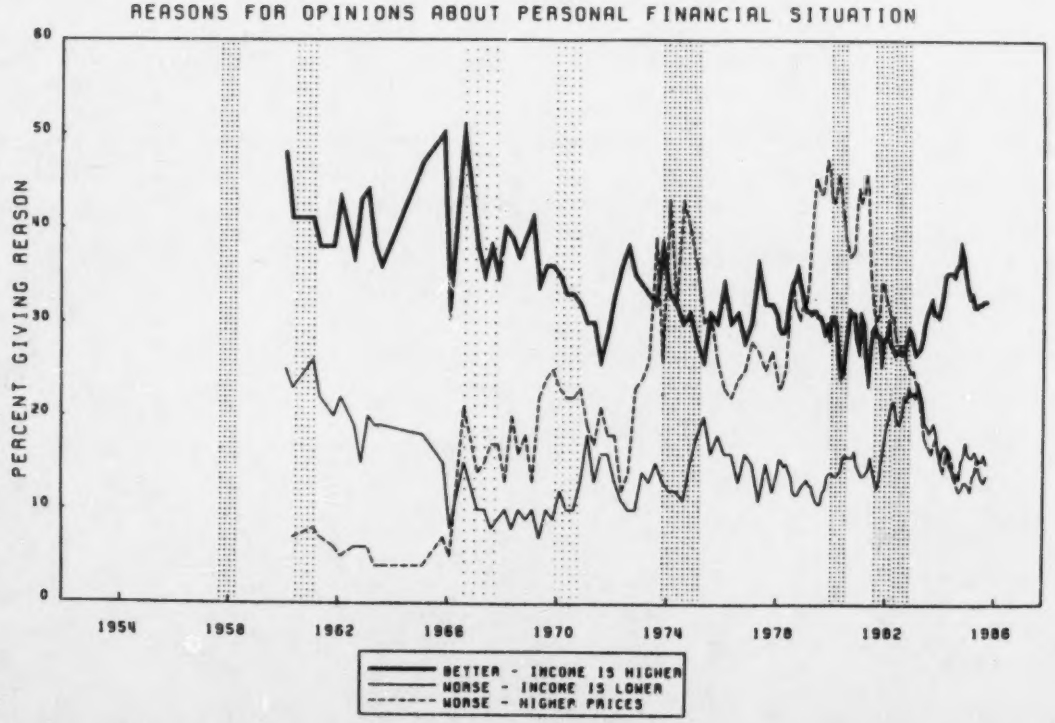


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	39%	37%	35%	33%	33%	32%	34%	29%	32%	35%	29%	33%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	18	17	17	14	16	17	16	14	16	16	16	13
Higher prices	12	14	13	12	13	11	17	14	16	12	12	15	14

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

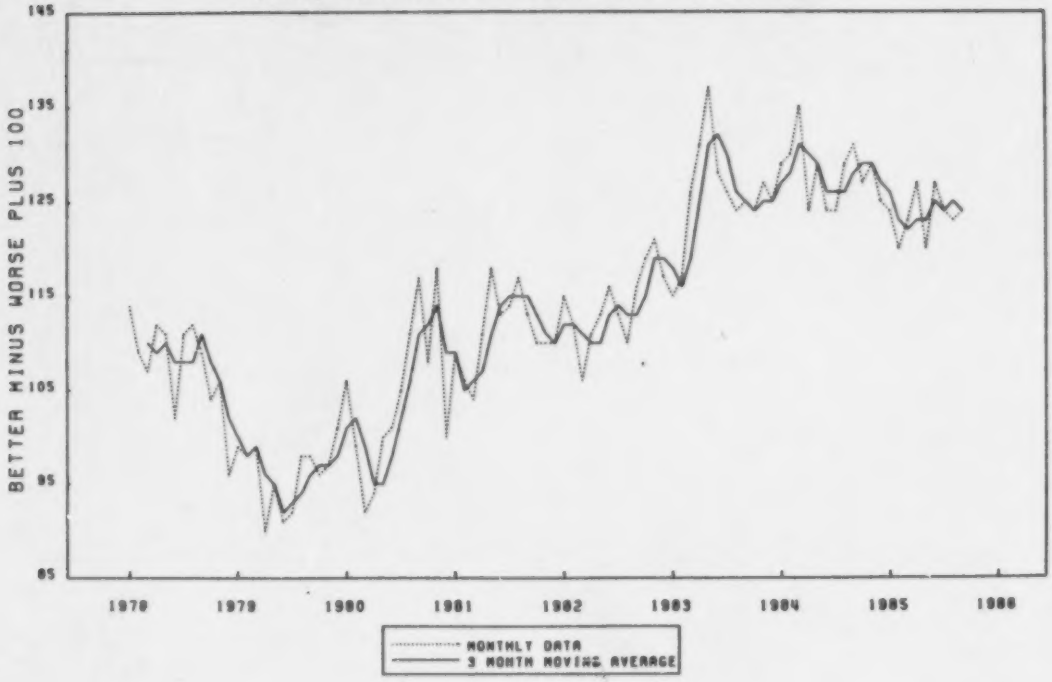


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

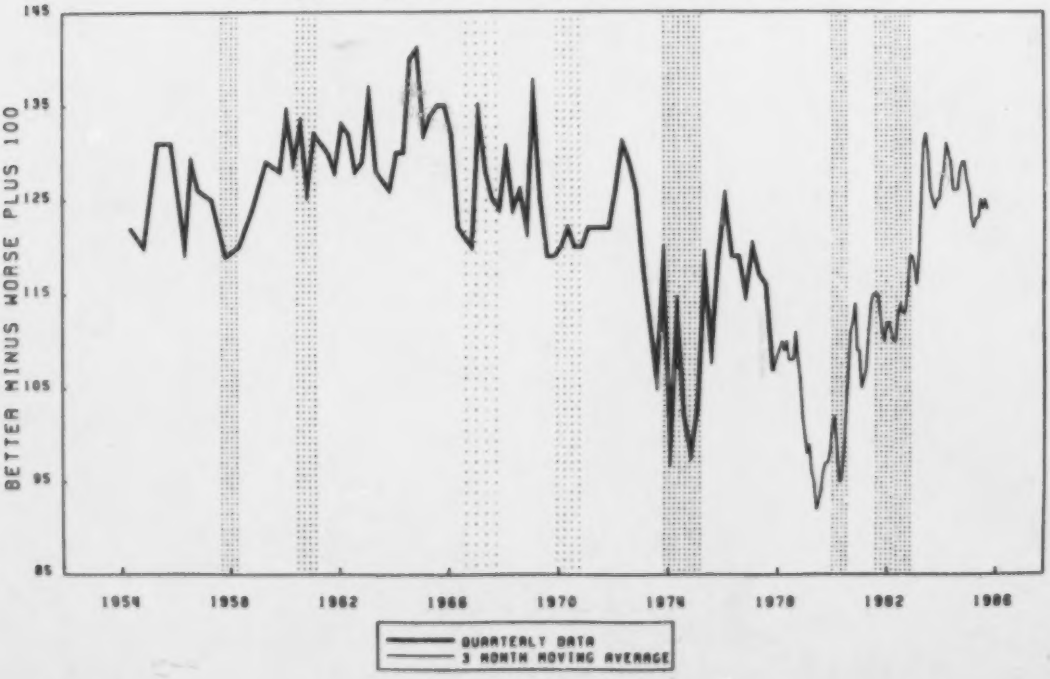


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
BETTER OFF	39%	38%	39%	36%	35%	33%	36%	37%	34%	36%	35%	36%	35%
SAME	49	47	48	50	52	50	49	49	49	52	51	48	50
WORSE OFF	8	11	10	11	11	13	13	10	14	9	11	13	11
DK,NA	4	4	3	3	2	4	2	4	3	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

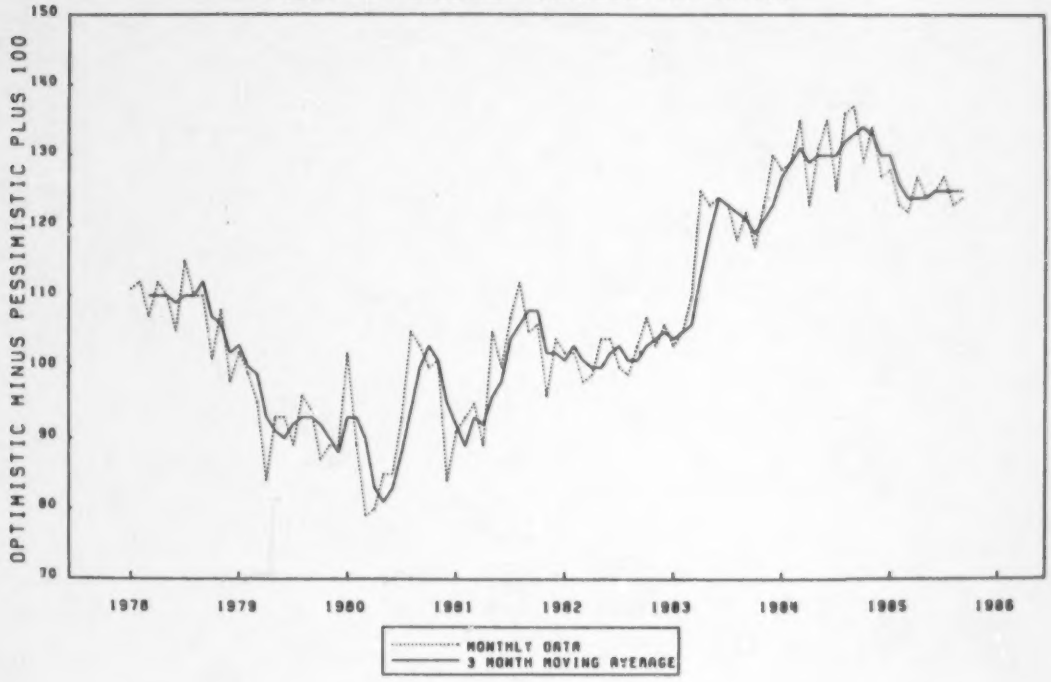


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

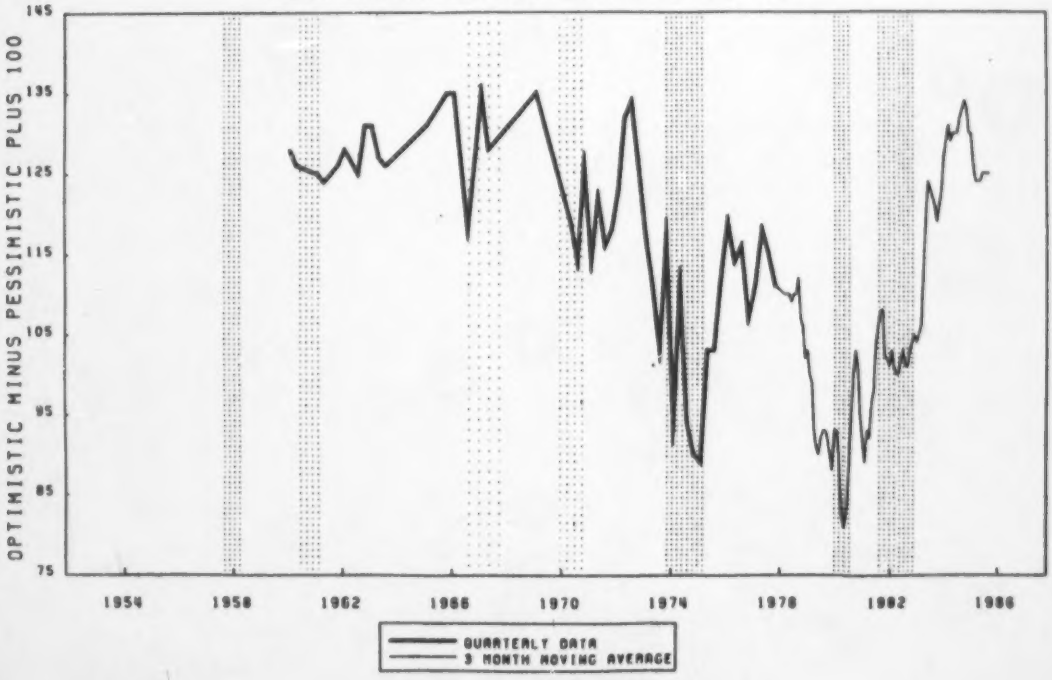


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	25%	21%	21%	23%	19%	20%	20%	22%	20%	22%	20%	19%	22%
Intermittent increase (b)	28	28	32	25	28	24	26	26	26	25	26	25	24
Remain unchanged (c)	20	17	15	19	22	20	18	20	21	19	21	19	18
Intermittent decline (d)	12	15	14	15	15	15	18	16	16	17	13	14	15
Continuous decline (e)	4	5	5	6	4	6	6	5	6	5	6	7	7
Mixed change (f)	7	10	10	9	9	12	10	8	8	9	10	12	9
DK,NA	4	4	3	3	3	3	2	3	3	3	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

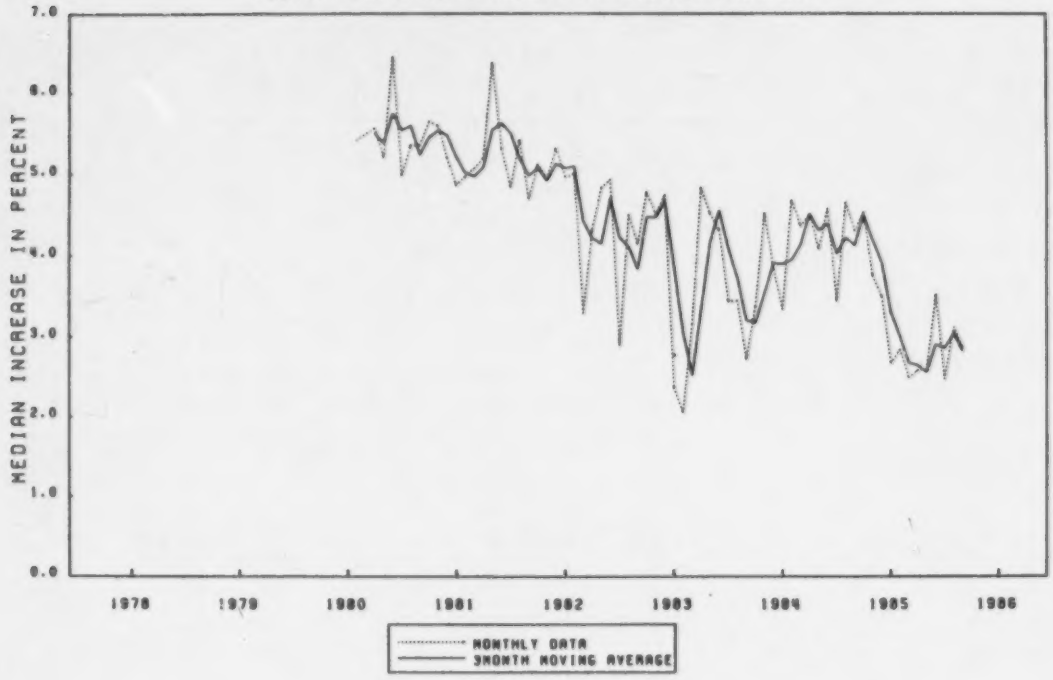


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

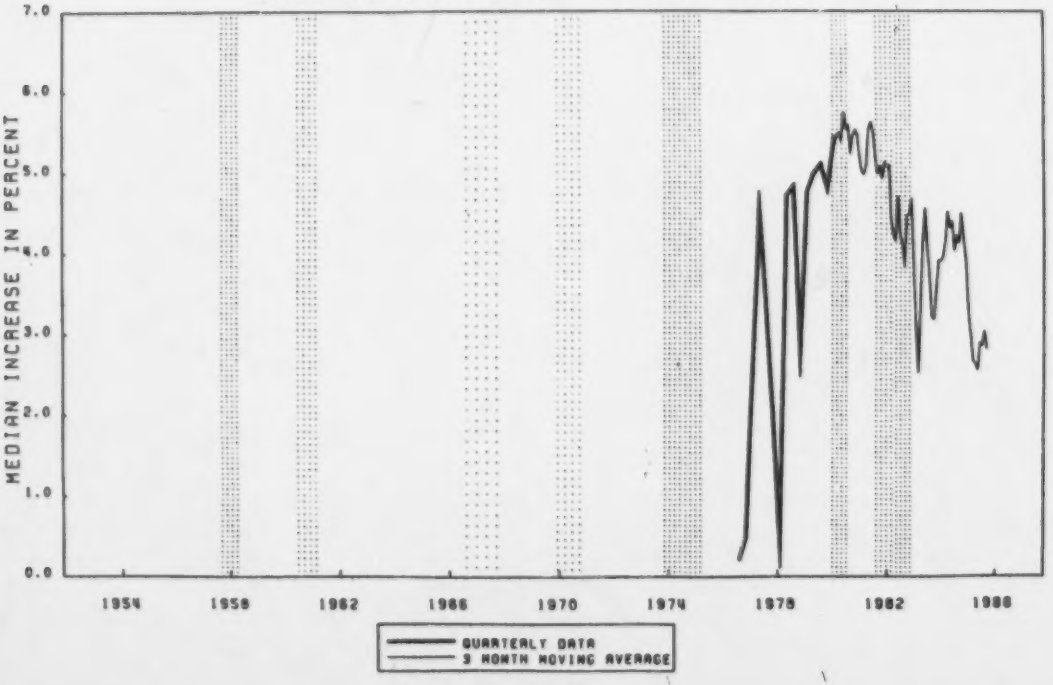


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
EXPECT INCREASE:													
1-4%	15%	10%	13%	12%	12%	14%	12%	11%	16%	11%	13%	13%	13%
5%	10	10	9	10	9	11	11	9	9	11	11	10	9
6-9%	10	8	7	8	9	6	7	7	5	7	7	8	8
10-24%	18	20	19	17	17	16	13	17	16	16	14	18	14
25% or more	7	8	8	7	6	7	8	8	7	10	6	5	8
DK how much up	4	5	6	7	3	3	4	3	4	4	3	3	4
EXPECT SAME	23	25	23	23	27	26	29	30	28	26	28	29	28
EXPECT DOWN	11	12	13	15	16	16	15	14	13	14	16	12	13
DK,NA	2	2	2	1	1	1	1	1	2	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

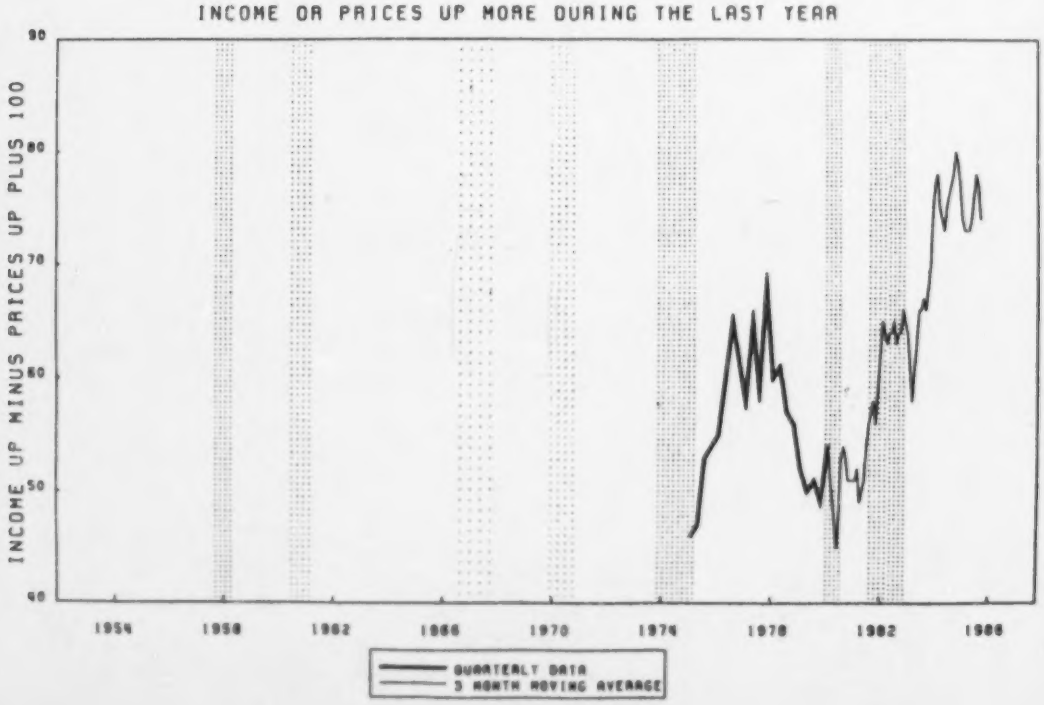


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
INCOME UP MORE	22%	25%	21%	19%	16%	19%	19%	18%	22%	22%	19%	19%	19%
INCOME UP SAME	36	31	31	35	40	34	35	34	32	35	36	34	33
PRICES UP MORE	42	42	46	45	43	46	45	47	45	41	44	45	46
DK,NA	*	2	2	1	1	1	1	1	1	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

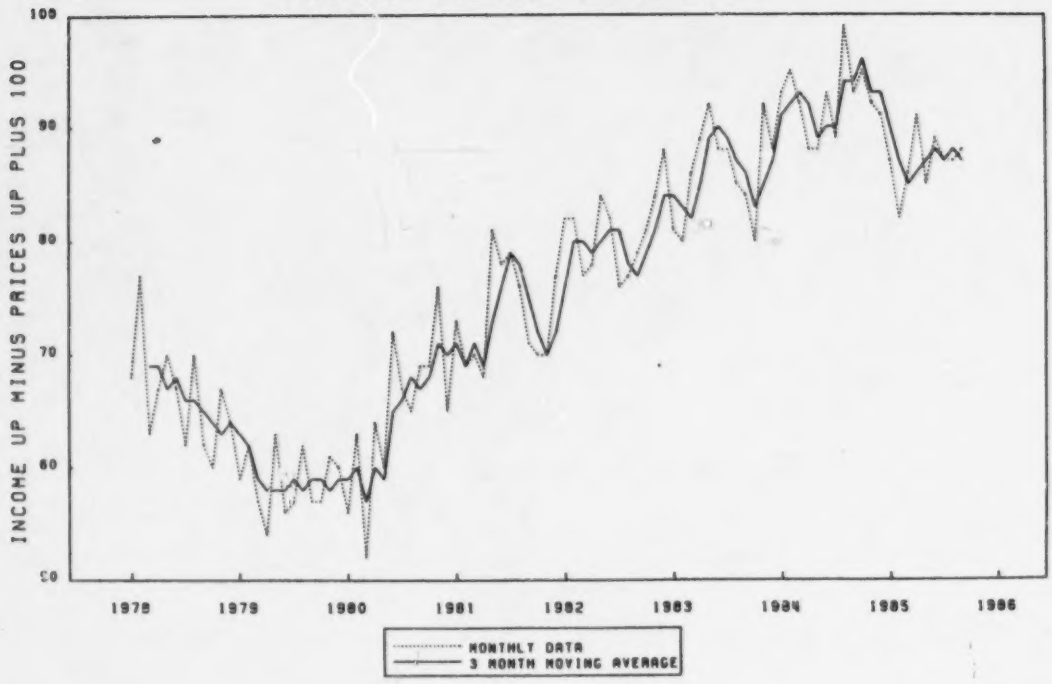


CHART 10 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

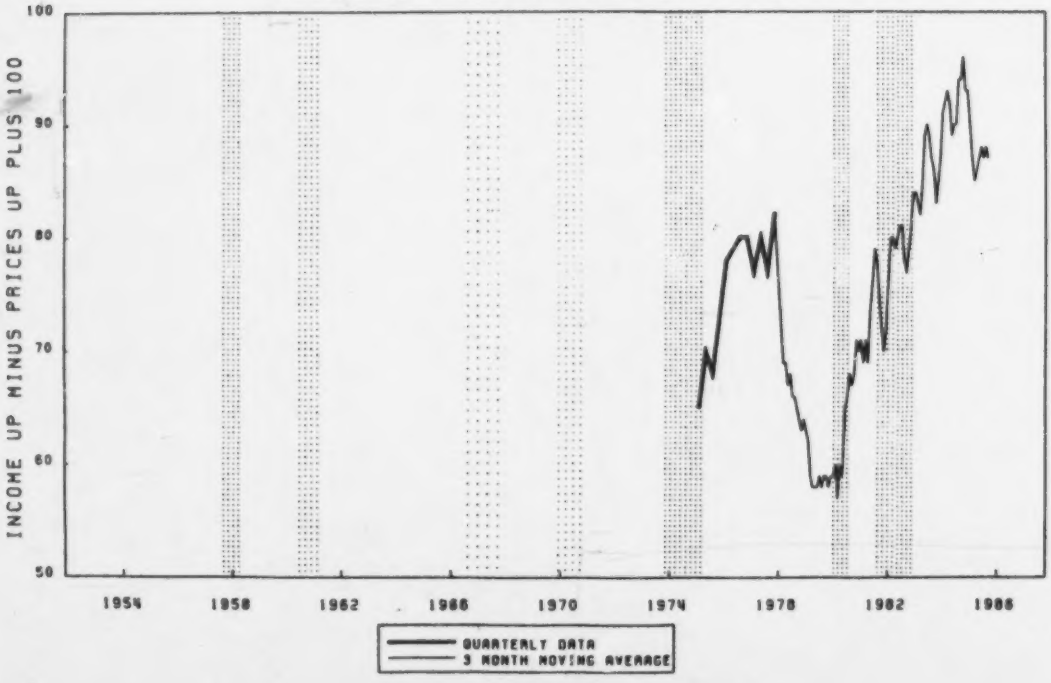


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
INCOME UP MORE	23%	25%	23%	21%	20%	20%	18%	23%	22%	19%	19%	22%	22%
INCOME UP SAME	44	43	44	46	45	40	49	42	39	48	47	40	42
PRICES UP MORE	30	30	31	30	33	38	32	32	37	30	32	35	34
DK,NA	3	2	2	3	2	2	1	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

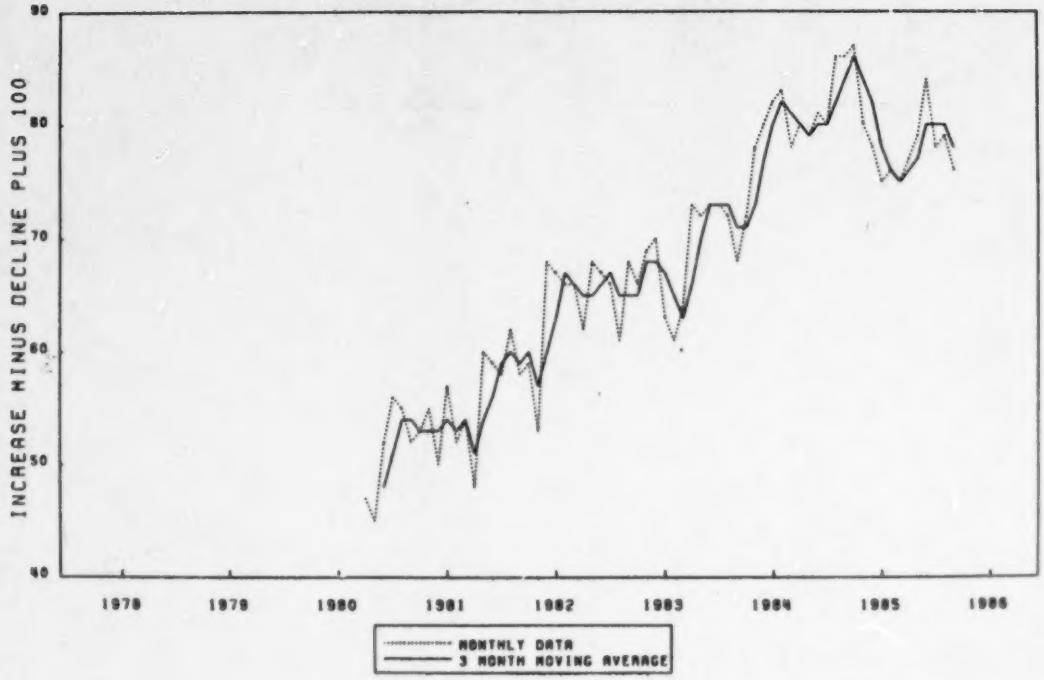


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

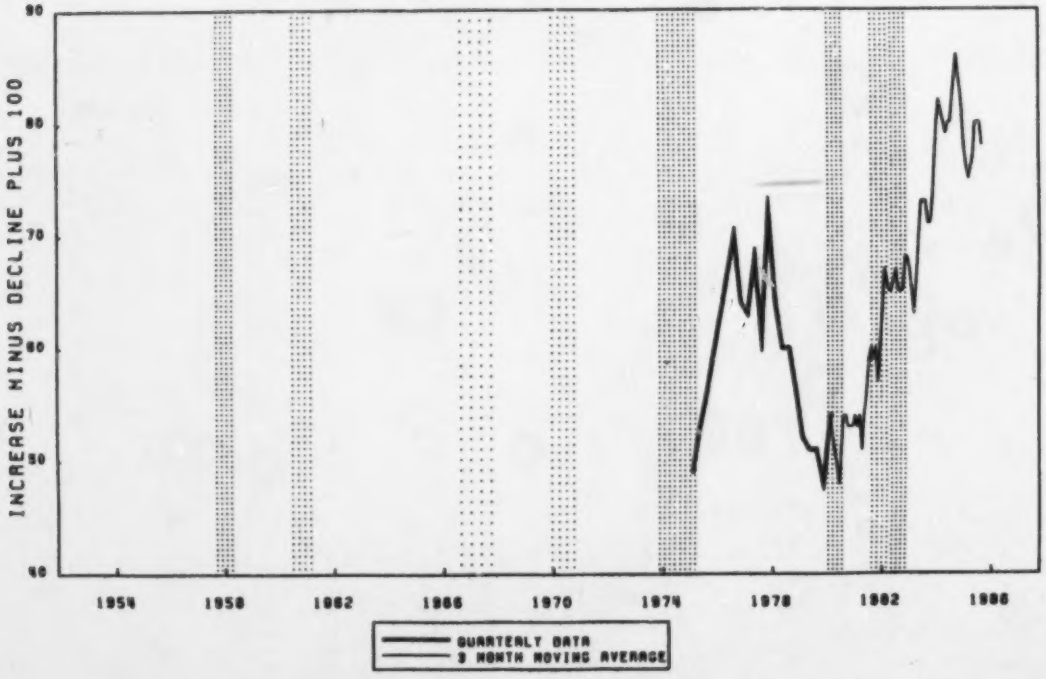


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	12%	14%	12%	10%	8%	10%	9%	11%	12%	9%	8%	10%	11%
Intermittent increase (b)	16	14	14	12	13	14	14	11	13	17	14	14	11
Remain unchanged (c)	22	20	19	23	24	20	23	22	20	22	24	20	21
Intermittent decline (d)	20	18	22	22	23	19	24	20	18	20	21	18	20
Continuous decline (e)	22	23	24	22	23	29	24	25	28	22	23	27	26
Mixed change (f)	5	7	6	8	6	6	4	7	7	6	7	8	7
DK,NA	3	4	3	3	3	2	2	4	2	4	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

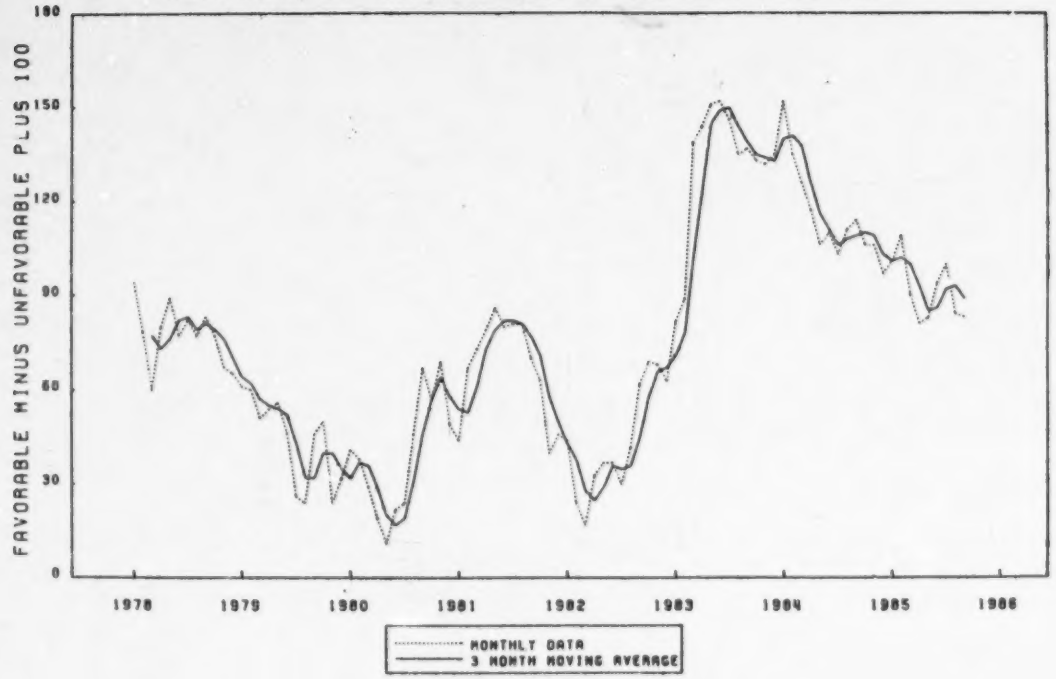


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

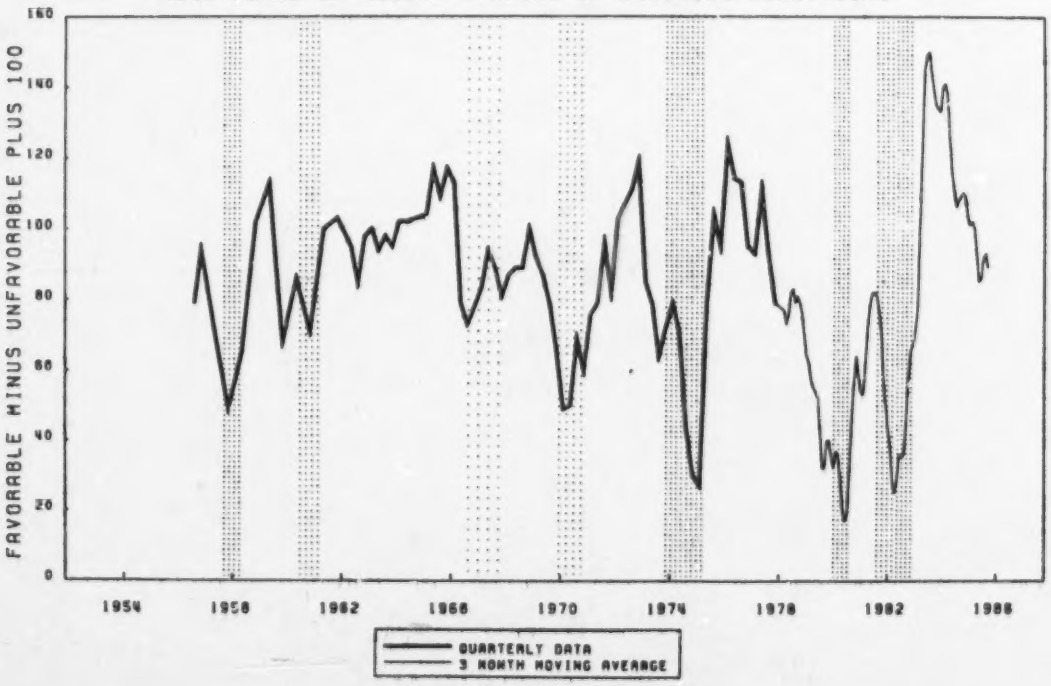


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
FAVORABLE NEWS	52%	44%	41%	39%	43%	50%	35%	30%	30%	37%	40%	30%	31%
UNFAVORABLE NEWS	38	38	35	42	42	41	45	49	47	43	40	46	48
NO MENTIONS	41	44	49	46	44	41	48	49	48	50	46	49	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

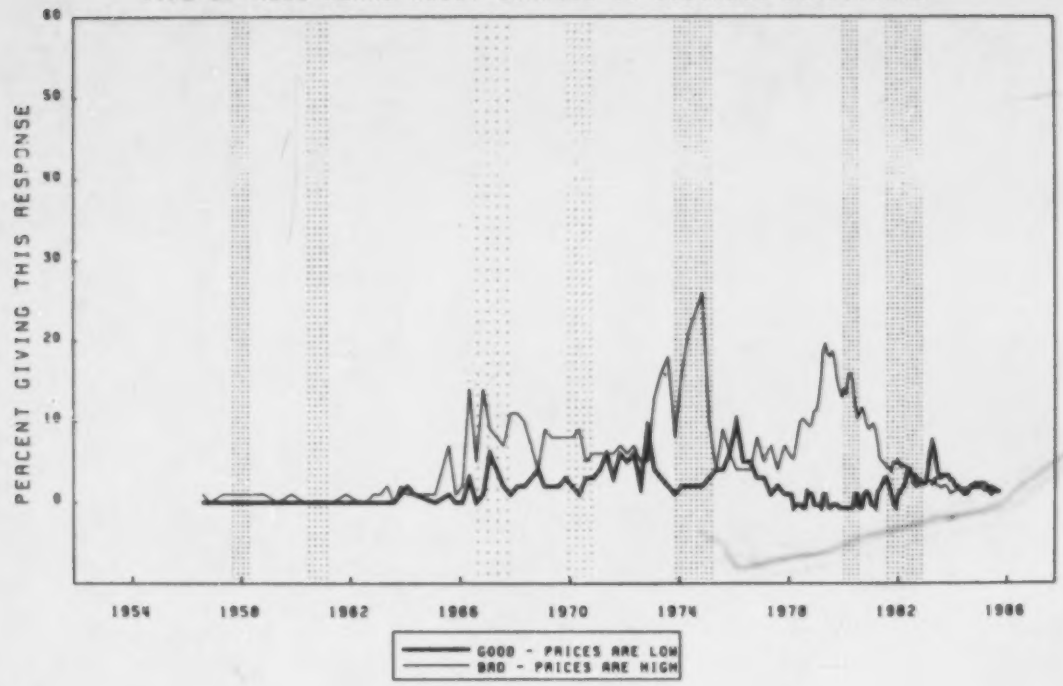


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

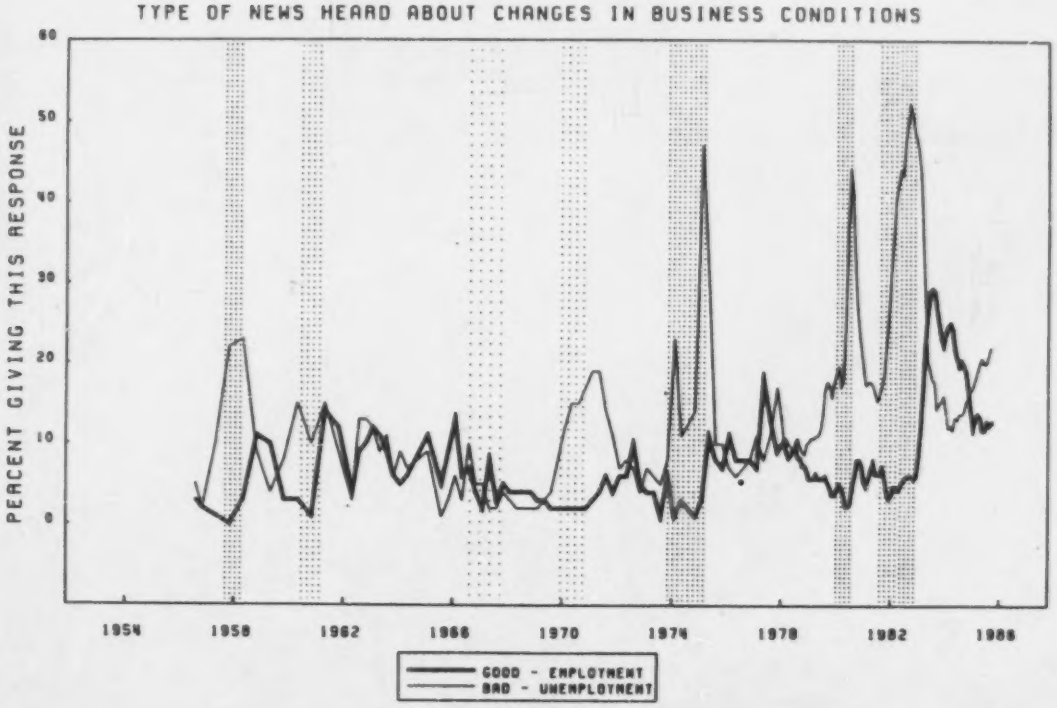


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
FAVORABLE NEWS:													
Government; elections	3%	1%	2%	3%	4%	3%	2%	1%	2%	5%	2%	1%	1%
Employment	19	18	13	11	12	17	12	11	12	12	14	11	13
Consumer demand high	7	5	4	5	5	5	5	3	3	4	3	2	4
Prices are low	3	1	3	2	2	3	2	1	1	1	2	1	1
Credit is easy	3	4	8	9	10	9	5	4	3	7	10	8	6
UNFAVORABLE NEWS:													
Government; elections	4	3	3	6	5	6	5	5	4	6	4	4	5
Unemployment	14	17	16	17	18	19	20	21	21	18	21	24	21
Consumer demand low	2	1	2	3	3	3	2	3	3	3	2	3	2
Prices are high	2	1	2	2	1	2	1	2	2	2	1	2	1
Credit is tight	6	5	3	2	2	1	2	2	2	1	1	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

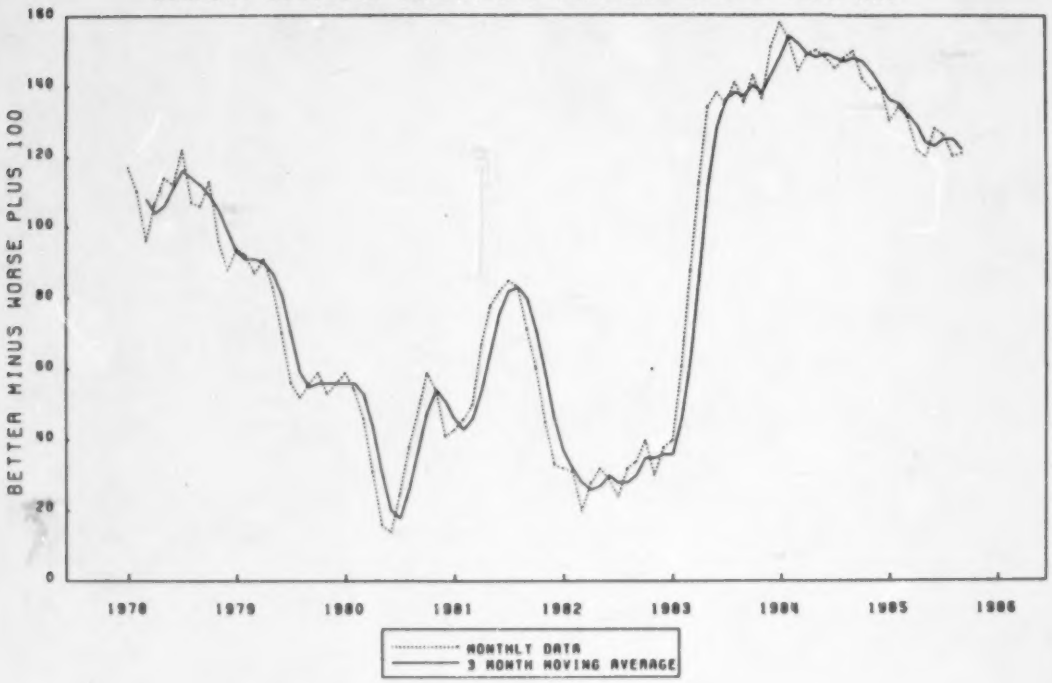


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

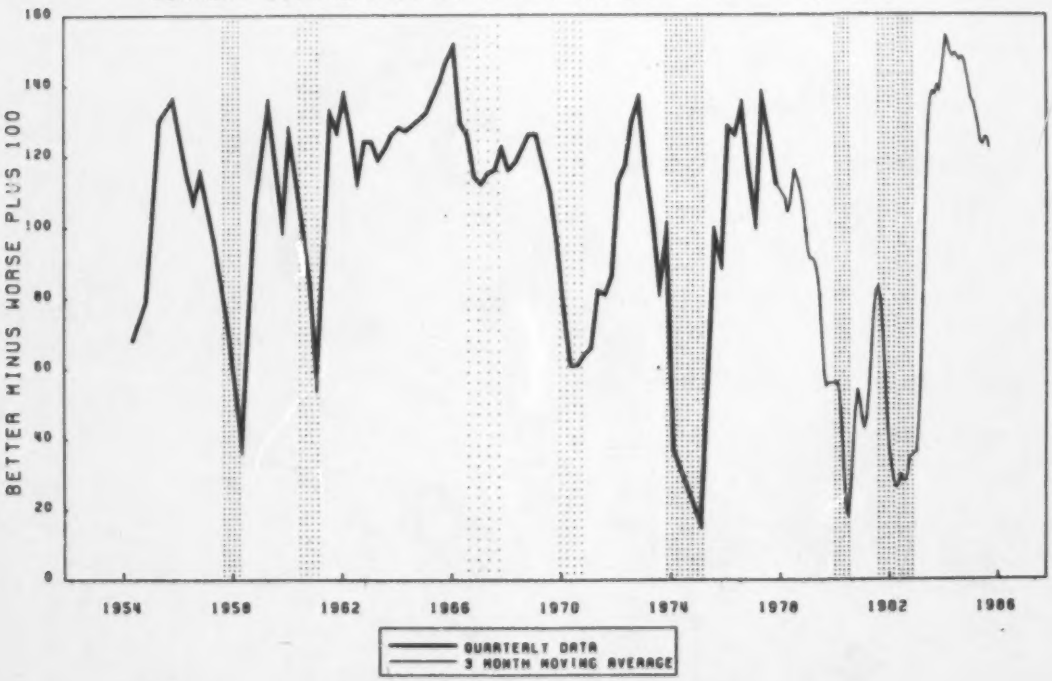


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
BETTER NOW	68%	65%	63%	63%	57%	60%	57%	51%	53%	56%	56%	51%	52%
SAME	12	10	12	13	14	12	15	17	13	14	13	16	14
WORSE NOW	18	23	24	23	27	26	26	29	33	28	30	31	31
DK,NA	2	2	1	1	2	2	2	3	1	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

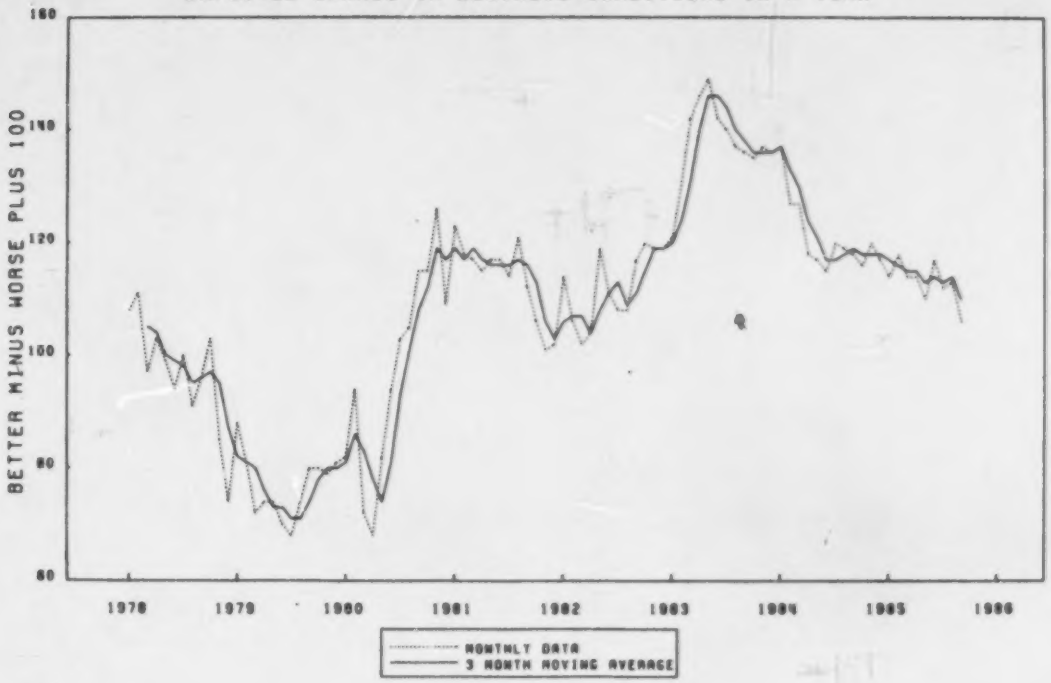


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

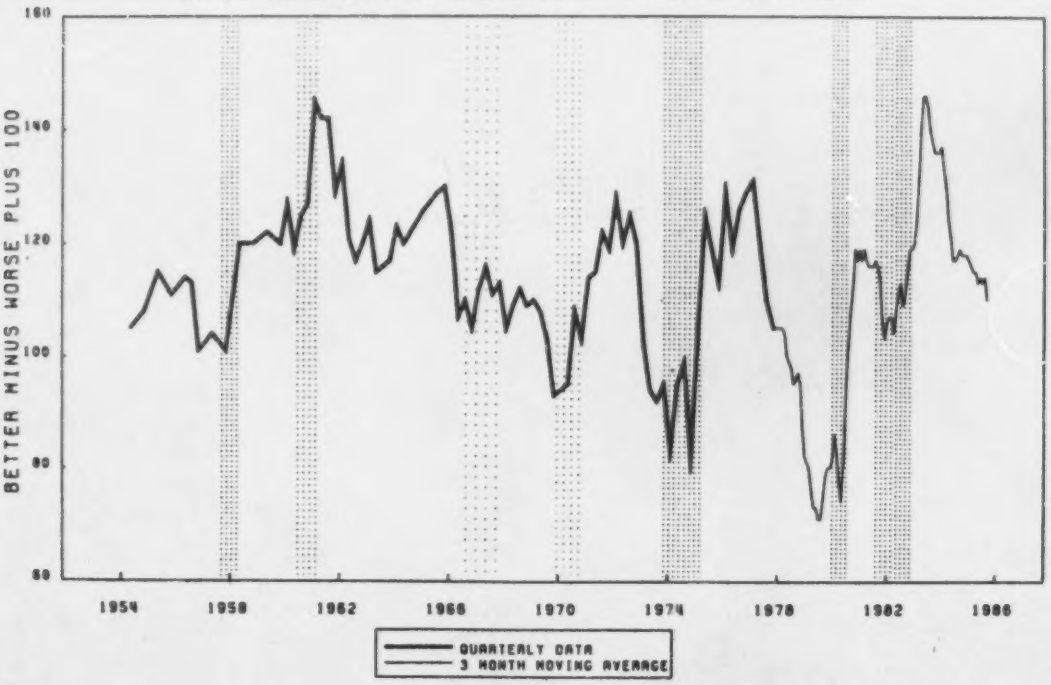


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
BETTER	33%	32%	35%	33%	29%	33%	29%	29%	27%	29%	26%	27%	23%
SAME	48	49	48	47	55	50	53	53	54	57	57	57	58
WORSE	15	16	15	16	15	15	15	15	17	12	14	14	17
DK,NA	4	3	2	4	1	2	3	3	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

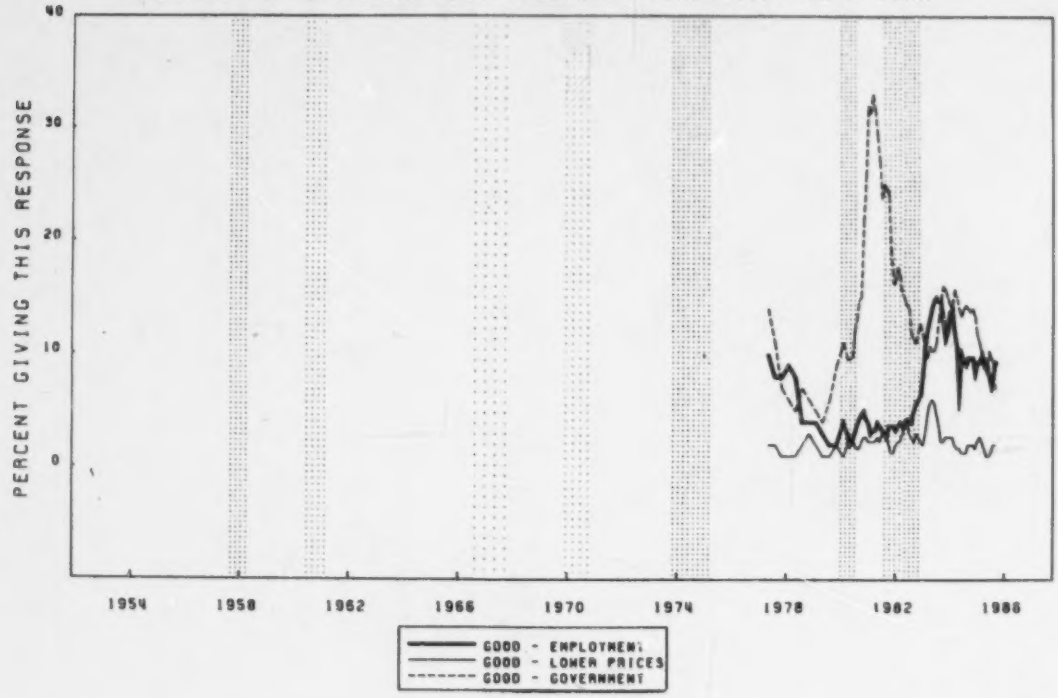


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

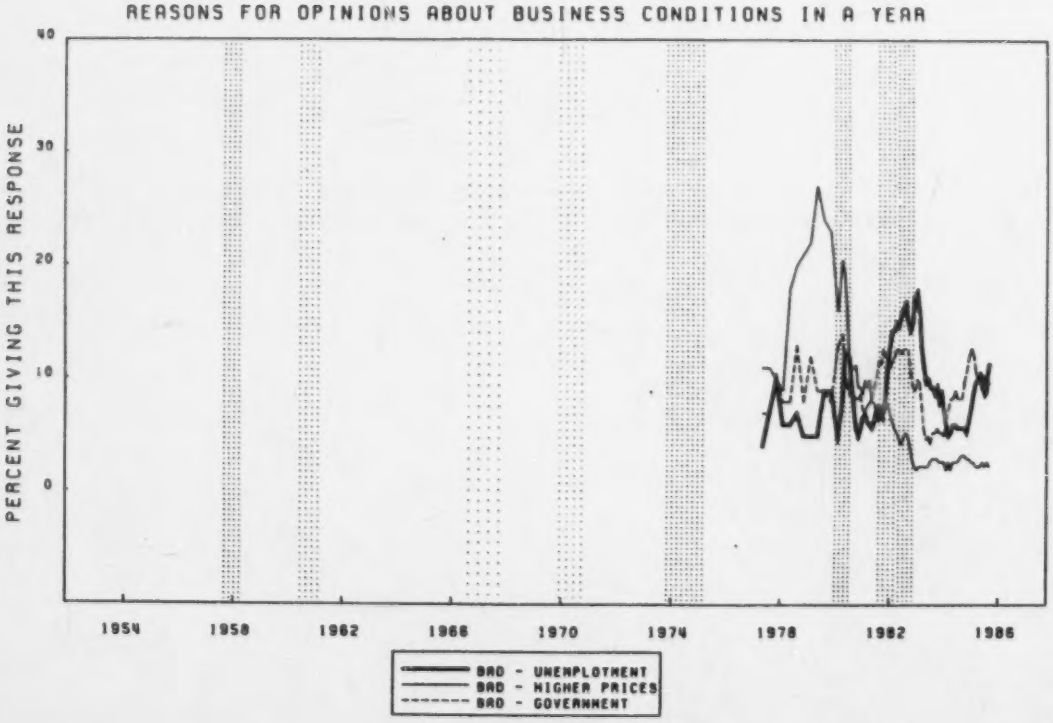


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
FAVORABLE REASONS:													
Government; elections	14%	14%	14%	12%	9%	12%	8%	9%	8%	14%	7%	7%	6%
Employment	12	9	8	8	12	8	10	9	9	7	6	12	10
Higher consumer demand	2	2	5	4	4	4	5	5	4	5	2	3	4
Lower prices	3	1	2	2	3	3	1	1	1	1	2	3	1
Easier credit	4	3	5	6	4	4	4	3	2	6	5	6	3
UNFAVORABLE REASONS:													
Government; elections	11	9	12	15	11	11	10	9	13	9	9	8	12
Unemployment	5	6	5	8	9	9	11	10	10	8	8	13	13
Lower consumer demand	2	2	3	4	2	2	4	4	4	2	2	2	3
Higher prices	3	3	3	3	2	3	2	2	3	3	1	4	2
Tighter credit	4	4	3	3	4	3	2	2	1	1	1	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

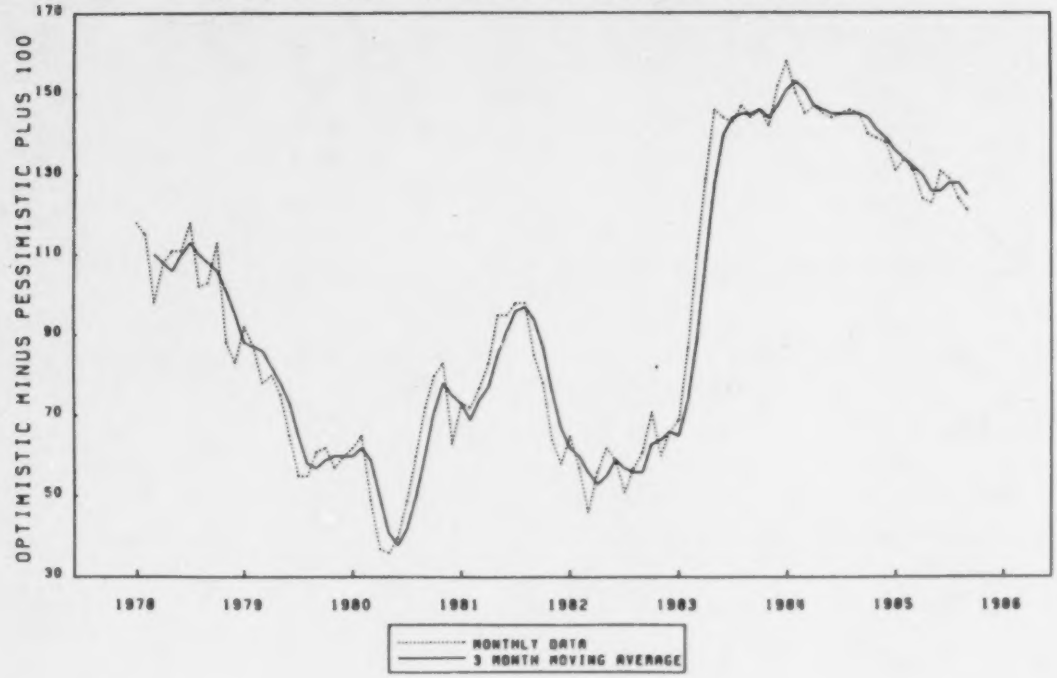


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

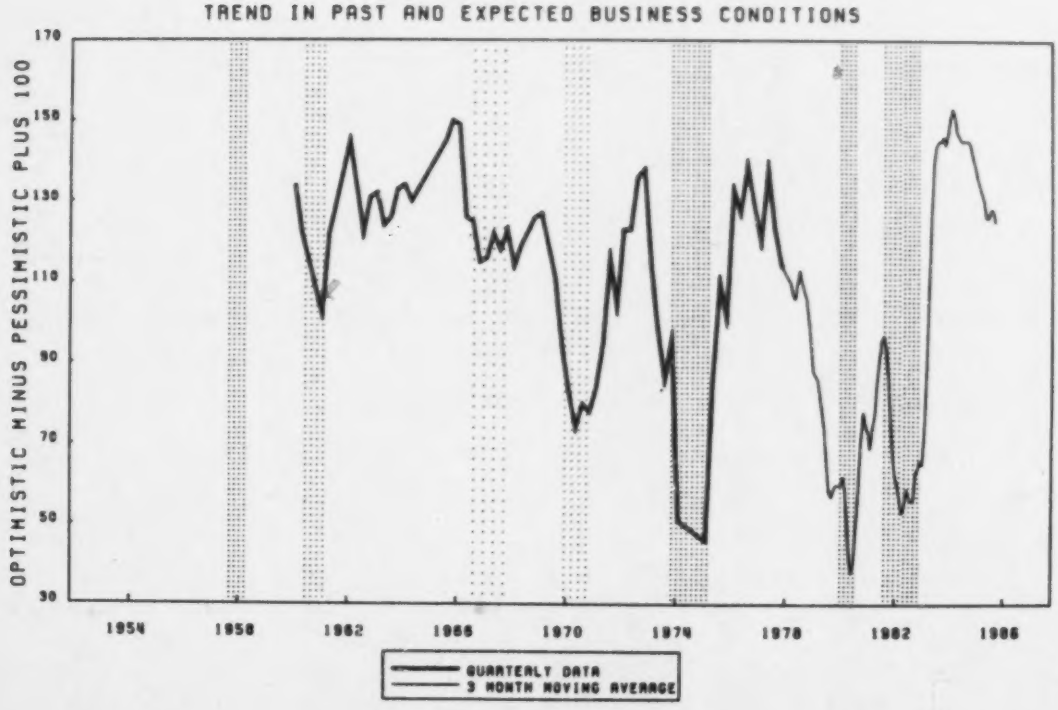


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
TREND:													
Continuous increase (a)	27%	24%	28%	27%	21%	26%	22%	21%	18%	22%	19%	19%	16%
Intermittent increase (b)	35	36	32	32	36	31	33	29	34	34	36	33	34
Remain unchanged (c)	6	5	6	7	8	7	9	11	8	9	9	10	9
Intermittent decline (d)	11	12	14	13	17	15	15	18	18	17	16	18	19
Continuous decline (e)	6	8	7	8	9	8	9	8	11	8	10	10	10
Mixed change (f)	10	10	9	9	7	9	8	8	8	6	6	7	8
DK,NA	5	5	4	4	2	4	4	5	3	4	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

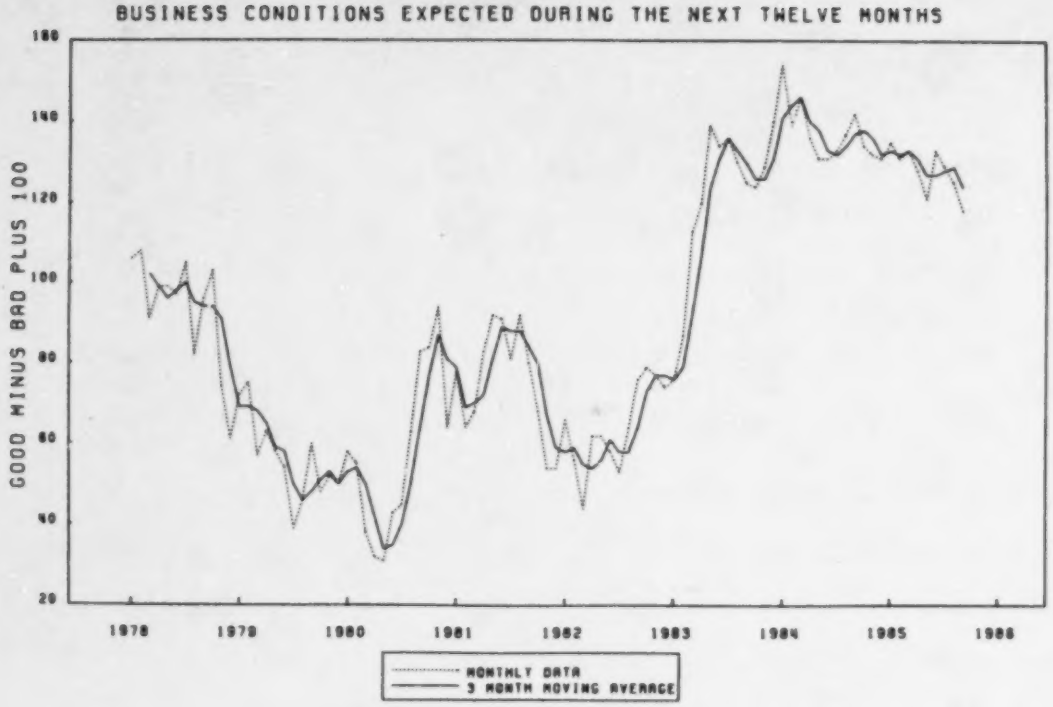


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

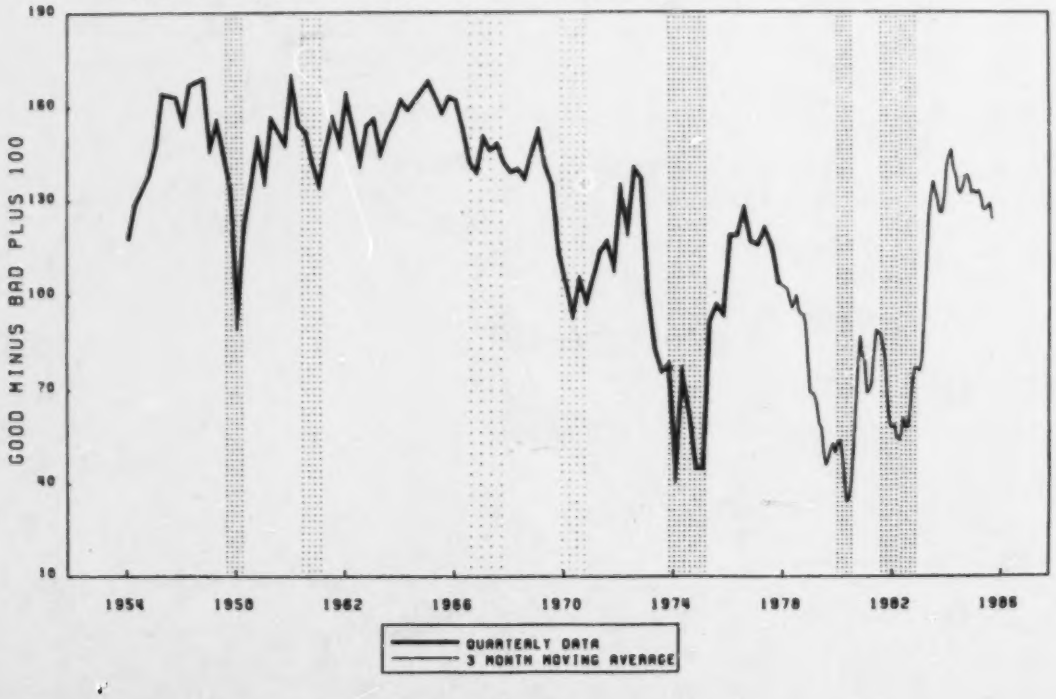


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIMES	66%	60%	59%	59%	63%	62%	62%	58%	55%	59%	58%	57%	52%
UNCERTAIN; GOOD & BAD	3	4	3	3	4	2	2	3	1	3	3	4	4
BAD TIMES	24	26	27	28	28	31	29	30	34	26	29	32	34
DON'T KNOW	6	6	7	7	4	3	5	6	6	5	7	4	8
NOT ASCERTAINED	1	4	4	3	1	2	2	3	4	7	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

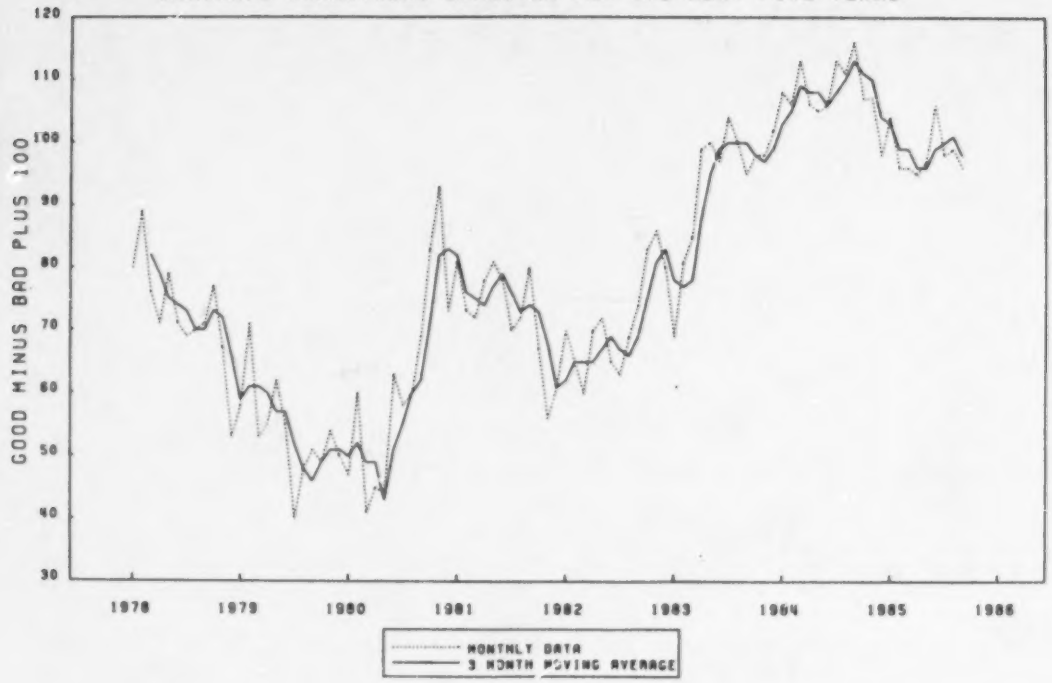


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

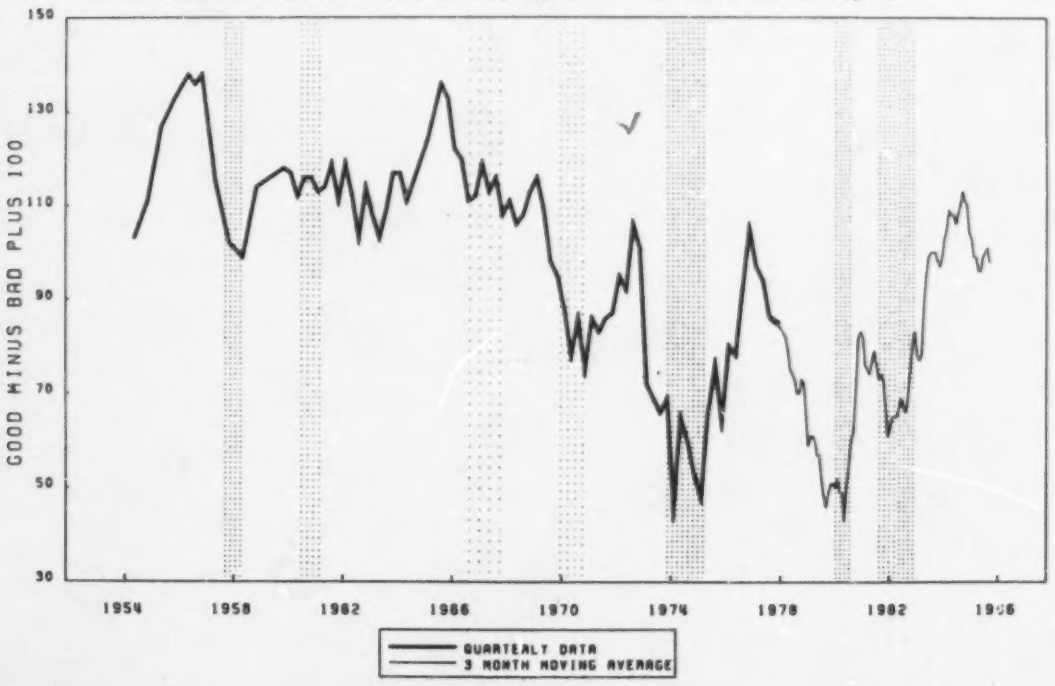


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIMES	47%	43%	42%	39%	43%	41%	40%	39%	40%	43%	41%	41%	38%
UNCERTAIN; GOOD & BAD	17	17	17	15	15	11	13	14	14	17	13	14	16
BAD TIMES	31	36	35	41	39	45	44	44	43	37	43	42	42
NOT ASCERTAINED	5	4	6	5	3	3	3	3	3	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

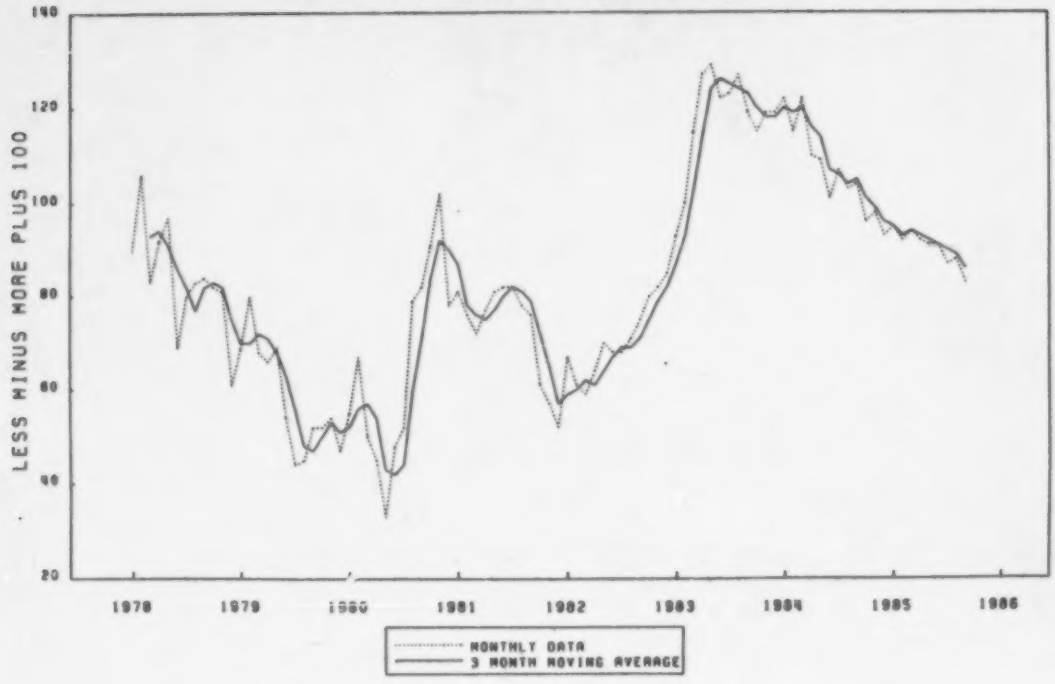


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

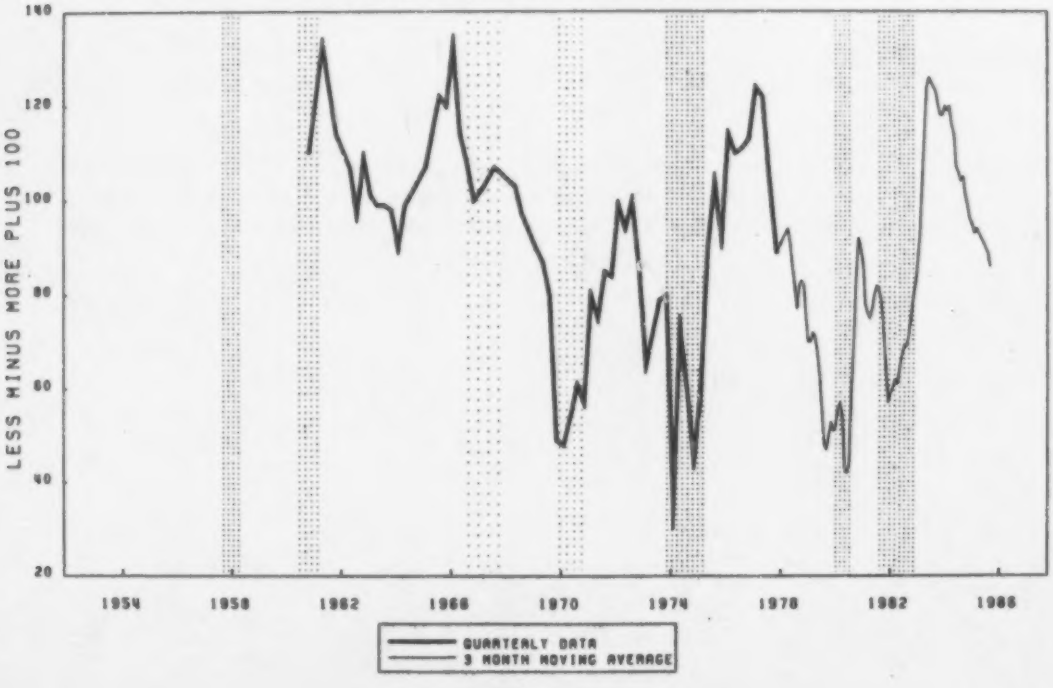


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
LESS	26%	20%	22%	21%	20%	20%	23%	20%	19%	16%	14%	17%	14%
SAME	50	54	52	50	54	50	47	50	52	58	58	52	53
MORE	22	24	24	28	25	28	29	28	28	25	27	29	31
DK,NA	2	2	2	1	1	2	1	2	1	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

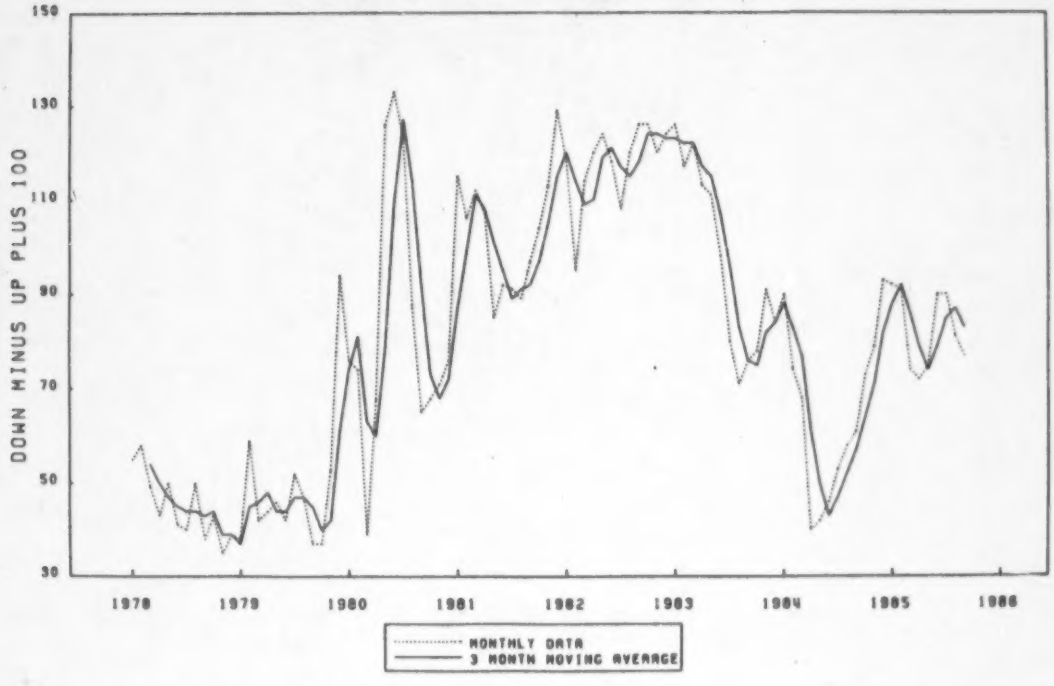


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

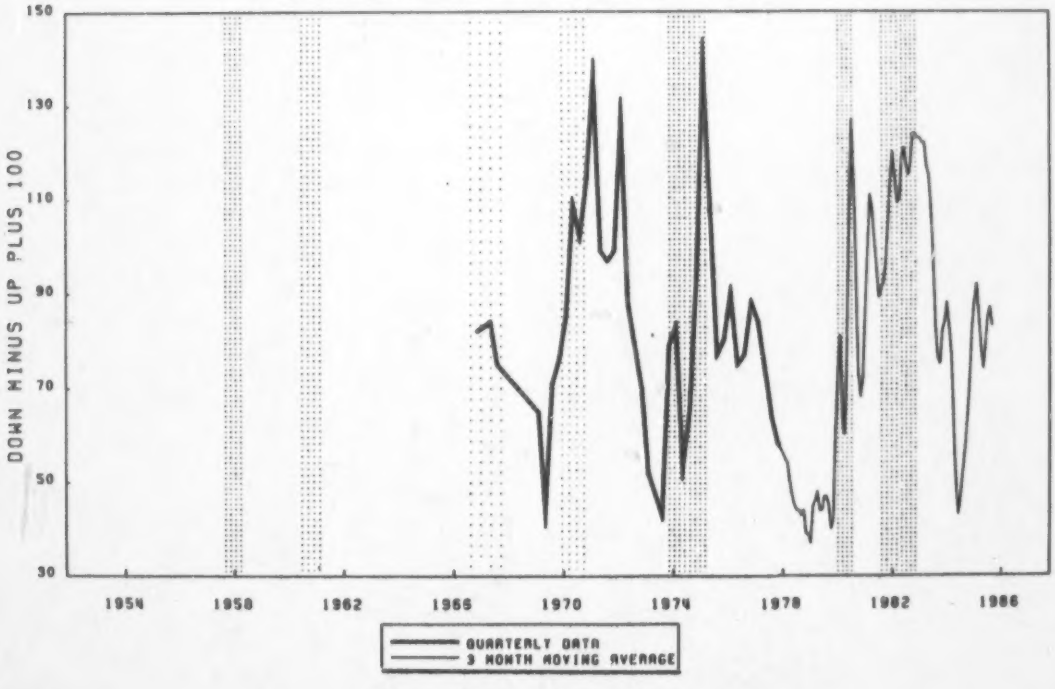


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GO UP	52%	45%	44%	37%	36%	35%	45%	47%	44%	36%	35%	41%	43%
STAY THE SAME	32	33	31	30	33	37	32	31	34	36	38	35	34
GO DOWN	13	18	23	30	28	26	19	19	19	26	25	22	20
DK,NA	3	4	2	3	3	2	4	3	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

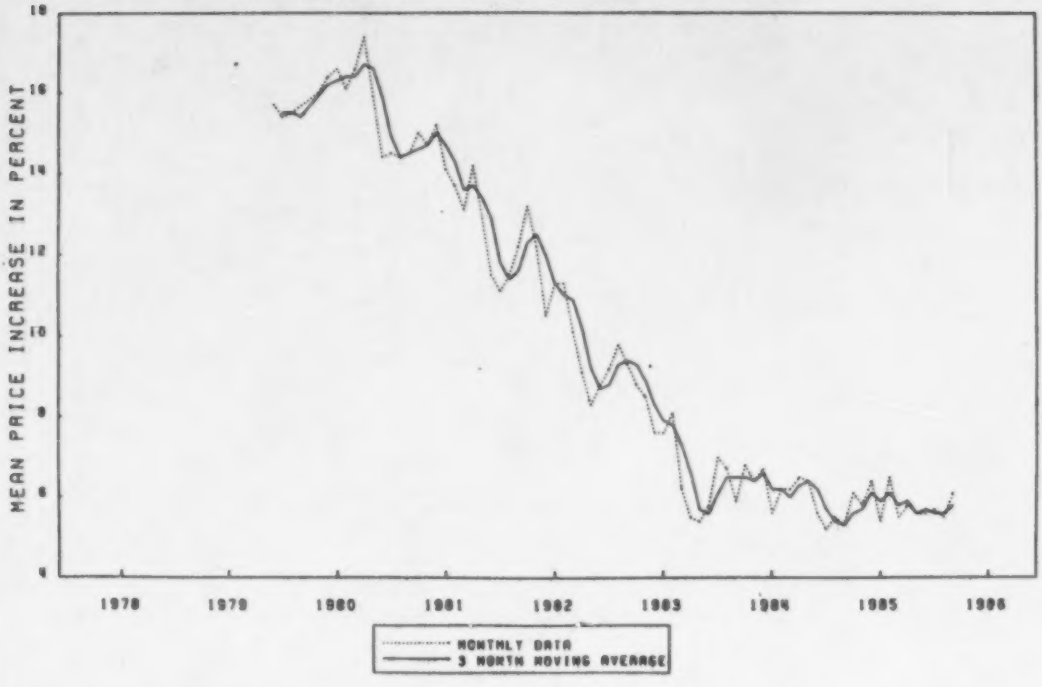


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

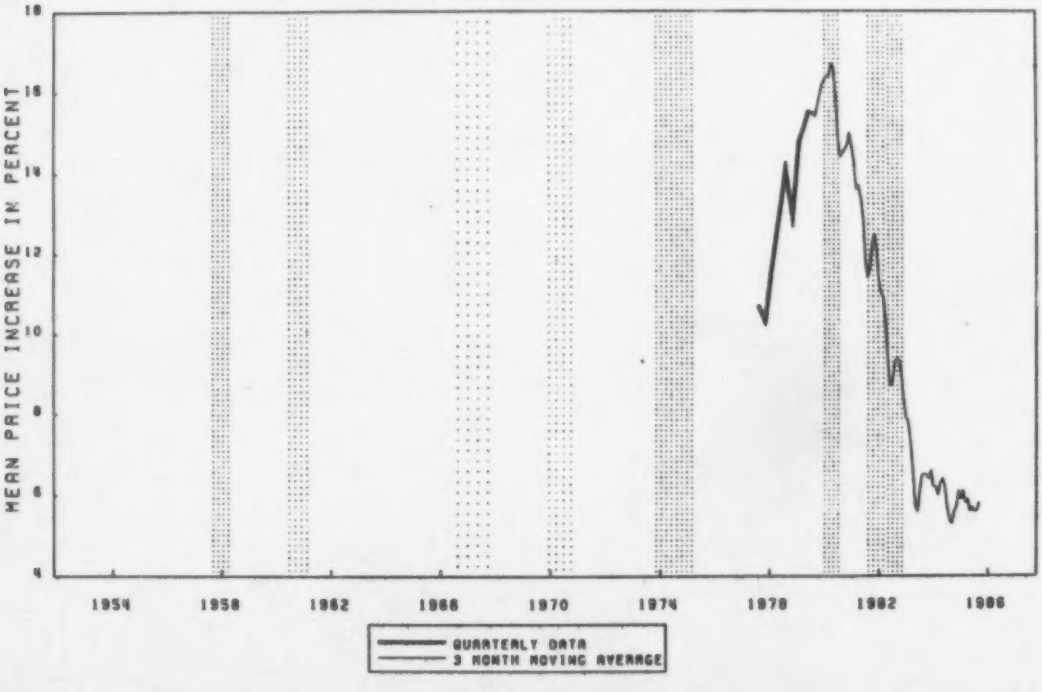


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
SAME OR DOWN	29%	28%	27%	24%	25%	25%	28%	24%	23%	24%	25%	23%	26%
GONE UP BY:													
1-2%	9	9	11	9	11	11	11	10	13	12	13	10	12
3-4%	16	15	15	14	17	16	18	17	18	18	16	19	18
5%	16	13	14	18	17	13	14	16	16	13	16	19	13
6-9%	7	7	5	6	7	8	5	8	7	9	6	5	4
10-14%	9	11	11	11	10	11	10	13	9	11	11	11	12
15% or more	8	11	10	10	8	11	9	8	9	9	7	8	9
DK how much up	6	5	6	7	5	4	5	4	4	3	5	4	5
DK,NA	*	1	1	1	*	1	*	*	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.3	6.1	5.8	6.4	5.4	6.5	5.5	5.8	5.6	5.6	5.7	5.5	6.1
VARIANCE	63	84	76	86	66	93	72	64	72	61	82	58	92
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

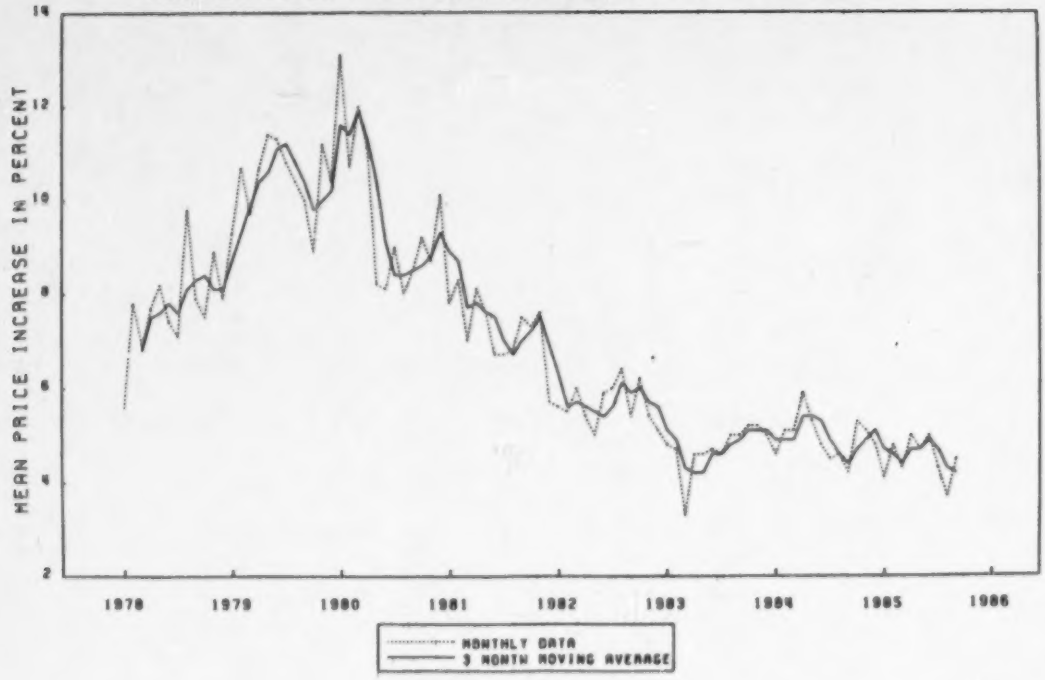


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

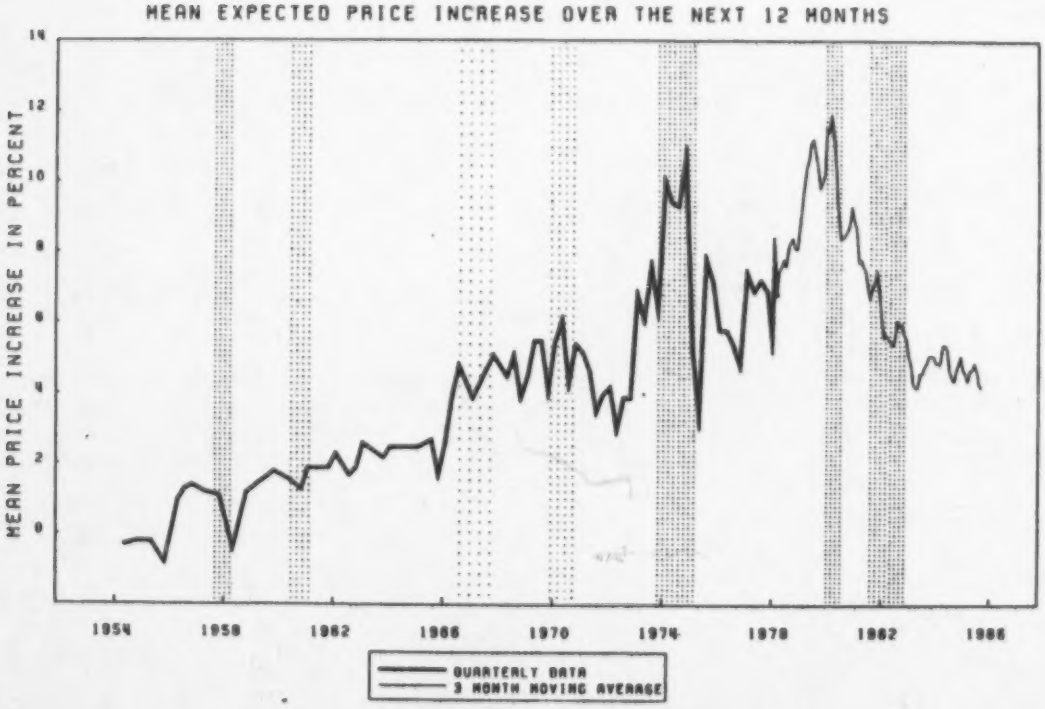


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
SAME OR DOWN	24%	22%	23%	25%	26%	25%	26%	22%	20%	19%	24%	26%	26%
WILL GO UP BY:													
1-2%	16	13	14	13	16	14	15	13	17	16	19	18	18
3-4%	19	15	17	17	20	19	19	20	20	21	20	21	17
5%	14	18	18	16	15	15	15	16	20	19	14	16	14
6-9%	8	9	6	9	6	6	6	8	6	6	8	6	6
10-14%	8	10	9	9	7	10	9	11	7	9	6	6	9
15% or more	4	7	7	5	4	6	6	6	6	6	4	4	5
DK how much up	4	4	4	4	4	4	4	3	2	2	4	2	3
DK,NA	3	2	2	2	2	1	*	1	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.2	5.3	5.1	4.8	4.1	4.8	4.3	5.0	4.7	5.0	4.3	3.7	4.5
VARIANCE	36	53	47	44	36	51	34	44	46	51	49	21	46
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

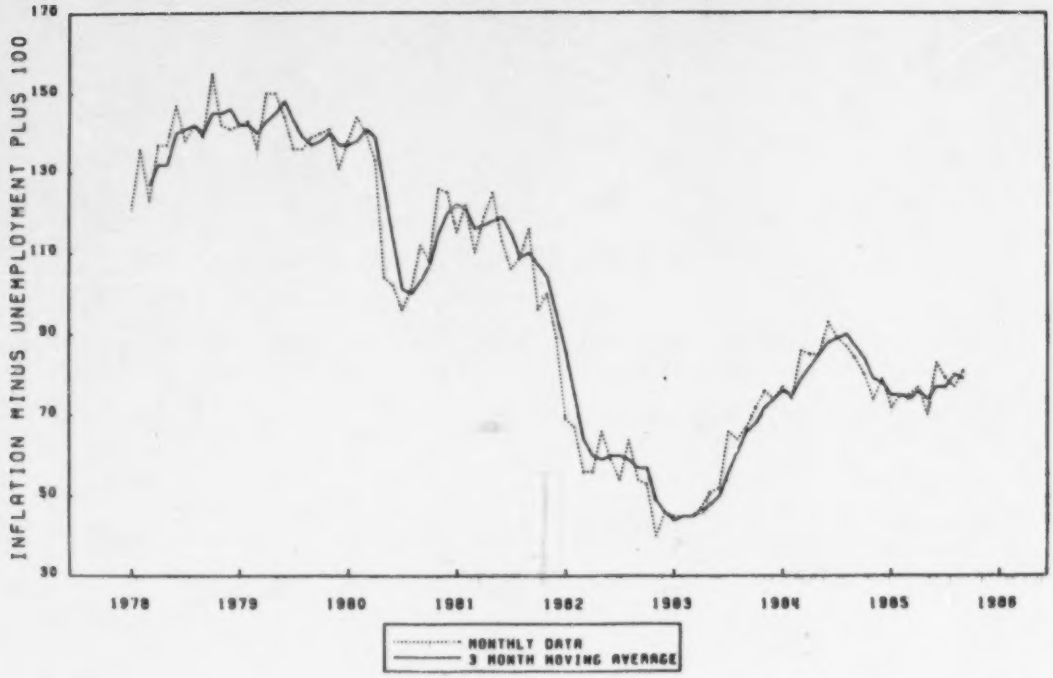


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

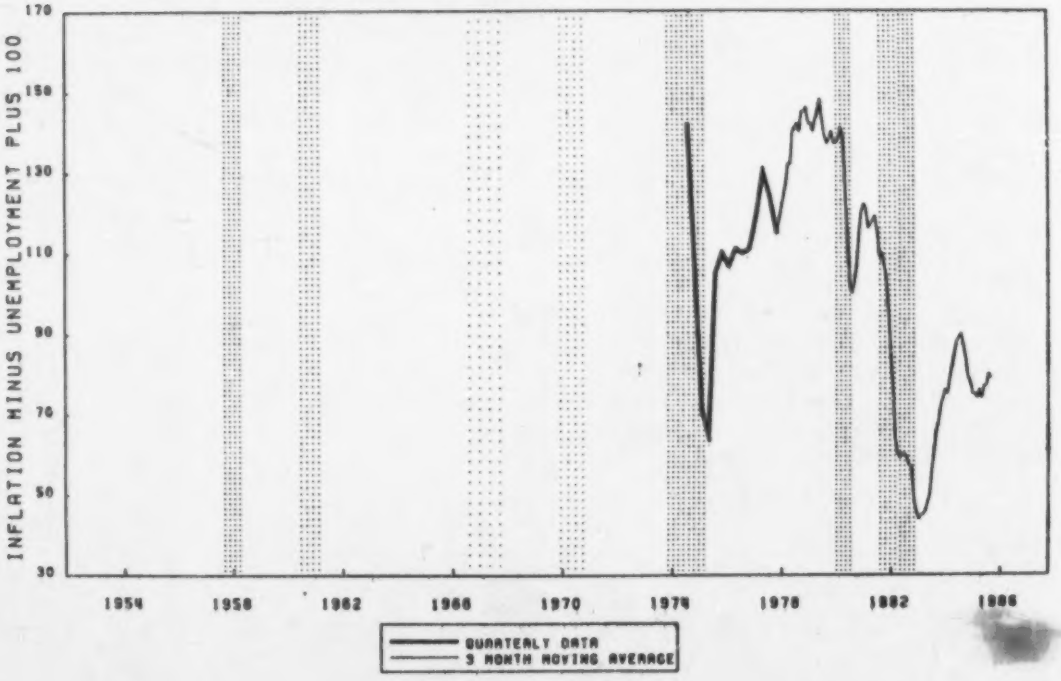


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
UNEMPLOYMENT	54%	55%	59%	56%	60%	58%	59%	57%	61%	55%	57%	57%	54%
BOTH EQUALLY SERIOUS	5	8	7	6	6	5	5	6	6	4	5	5	6
INFLATION	38	35	33	35	32	33	34	34	31	38	36	34	35
DK,NA	3	2	1	3	2	4	2	3	2	3	2	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

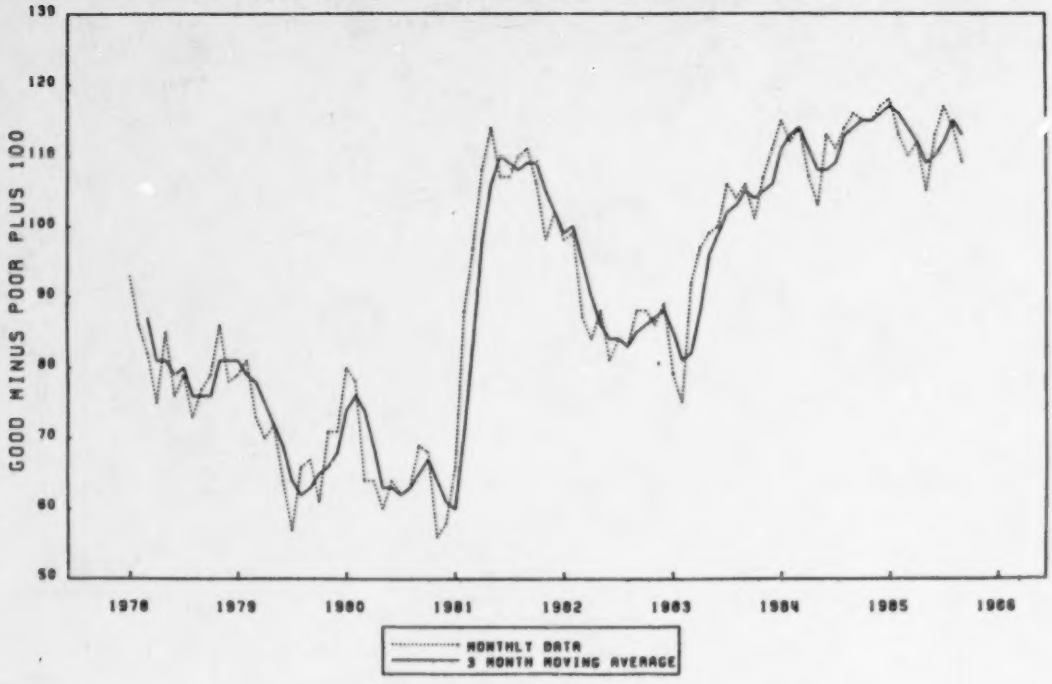


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

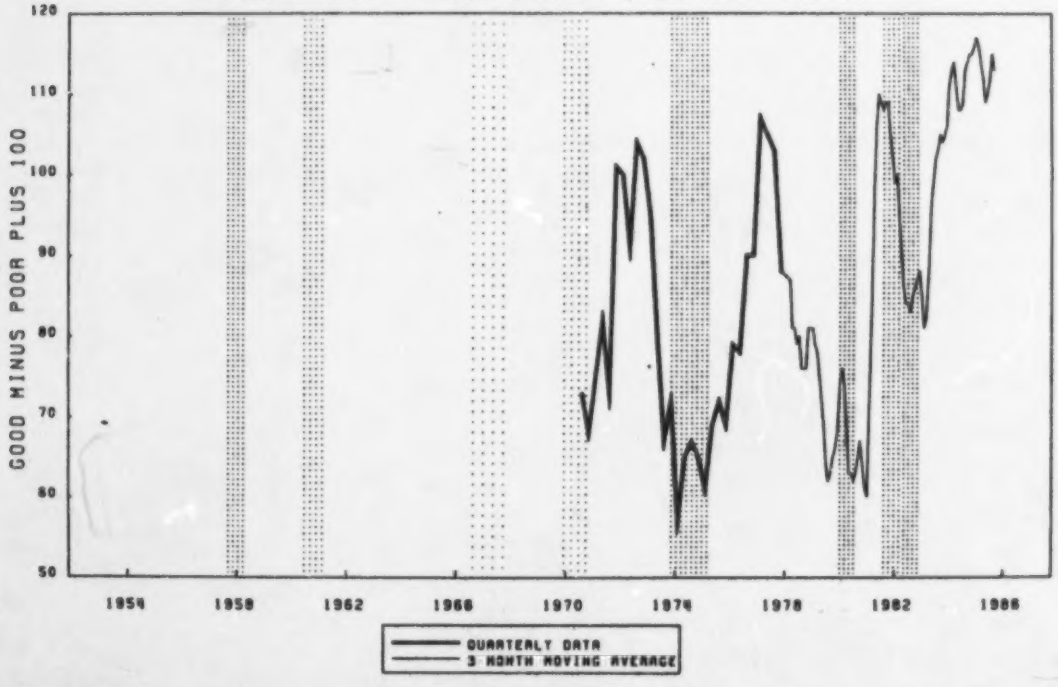


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
A GOOD JOB	35%	36%	32%	33%	34%	33%	32%	30%	26%	29%	31%	29%	29%
ONLY FAIR	44	41	50	49	49	46	43	50	51	53	52	53	49
A POOR JOB	19	21	17	16	16	20	22	18	21	16	14	15	20
DK,NA	2	2	1	2	1	1	3	2	2	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

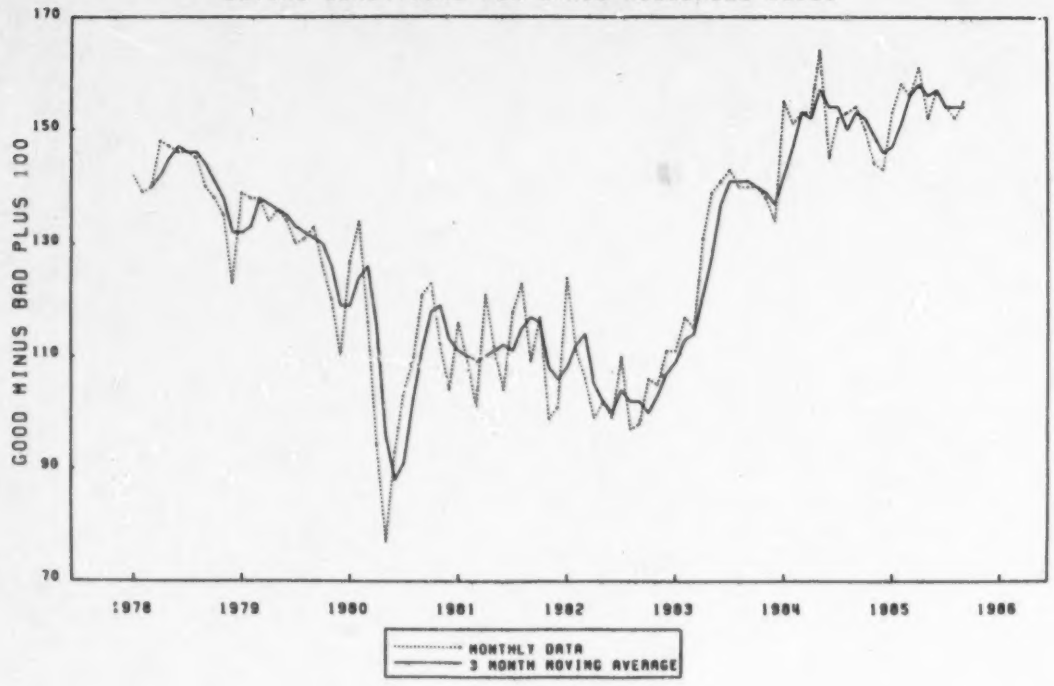


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

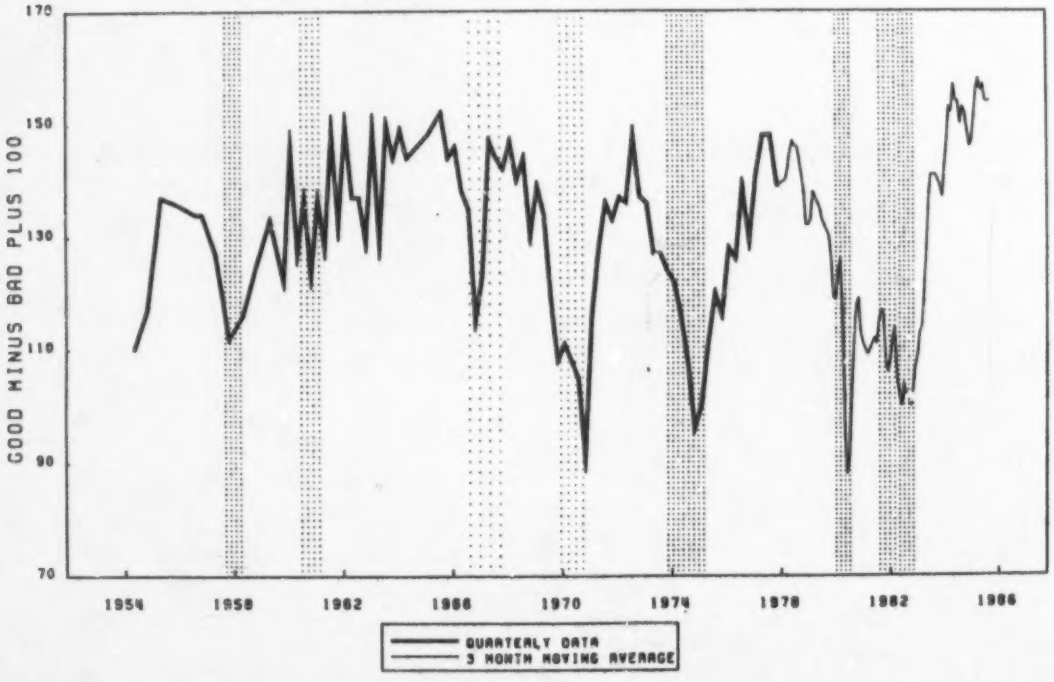


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY	72%	70%	67%	67%	73%	75%	74%	77%	72%	74%	74%	69%	73%
UNCERTAIN, DEPENDS	10	10	10	9	7	8	8	7	8	9	6	14	9
BAD TIME TO BUY	18	20	23	24	20	17	18	16	20	17	20	17	18
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

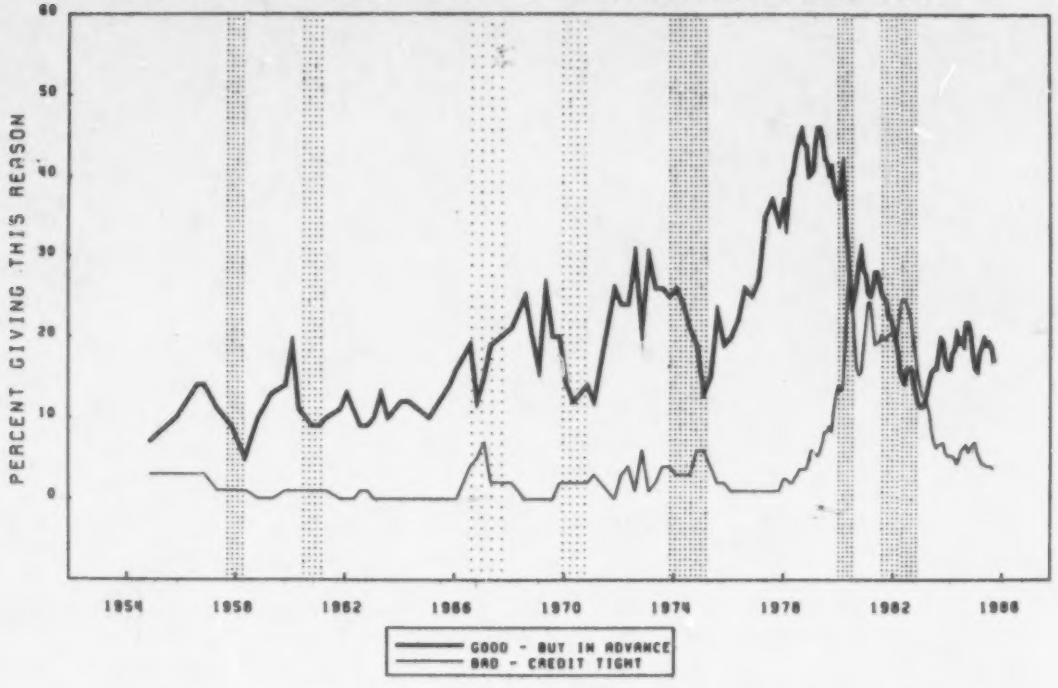


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

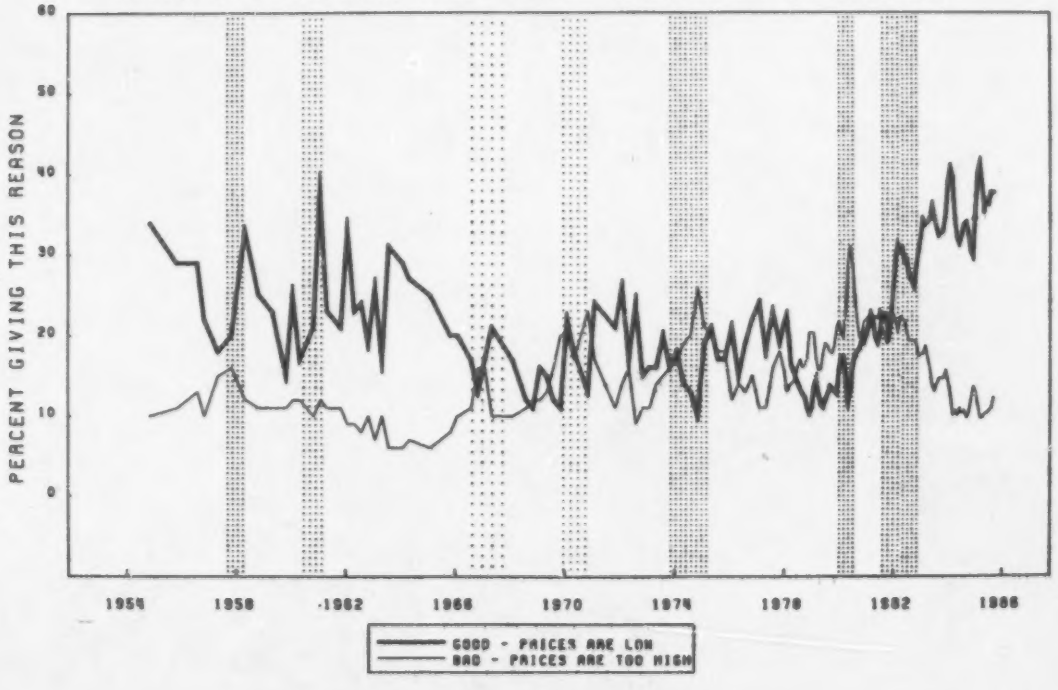


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	34%	29%	28%	32%	45%	43%	36%	37%	34%	39%	36%	38%	39%
Prices won't come down; are going higher	24	21	17	15	16	16	22	18	19	20	19	17	15
Interest rates low; credit is easy	8	11	11	10	11	11	10	13	11	13	14	15	14
BAD TIME TO BUY:													
Prices are high	10	12	14	15	10	9	10	10	11	10	11	12	14
Interest rates are high; credit is tight	6	5	8	7	6	4	5	4	4	4	4	4	3
Lack of purchasing power	7	7	7	7	10	6	7	6	9	7	6	5	6

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

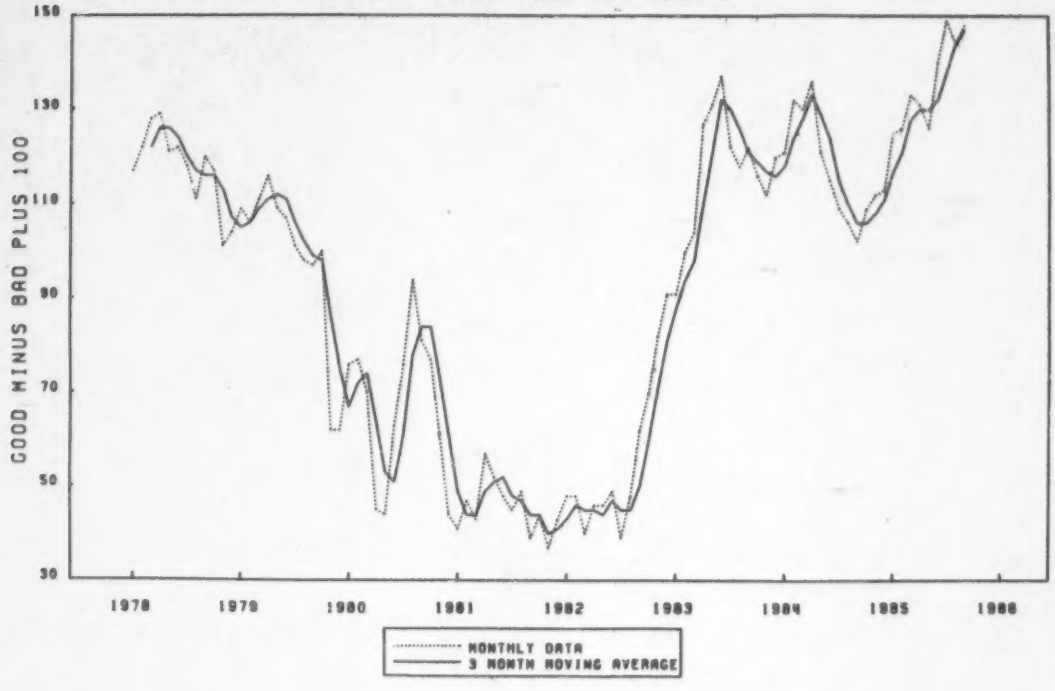


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

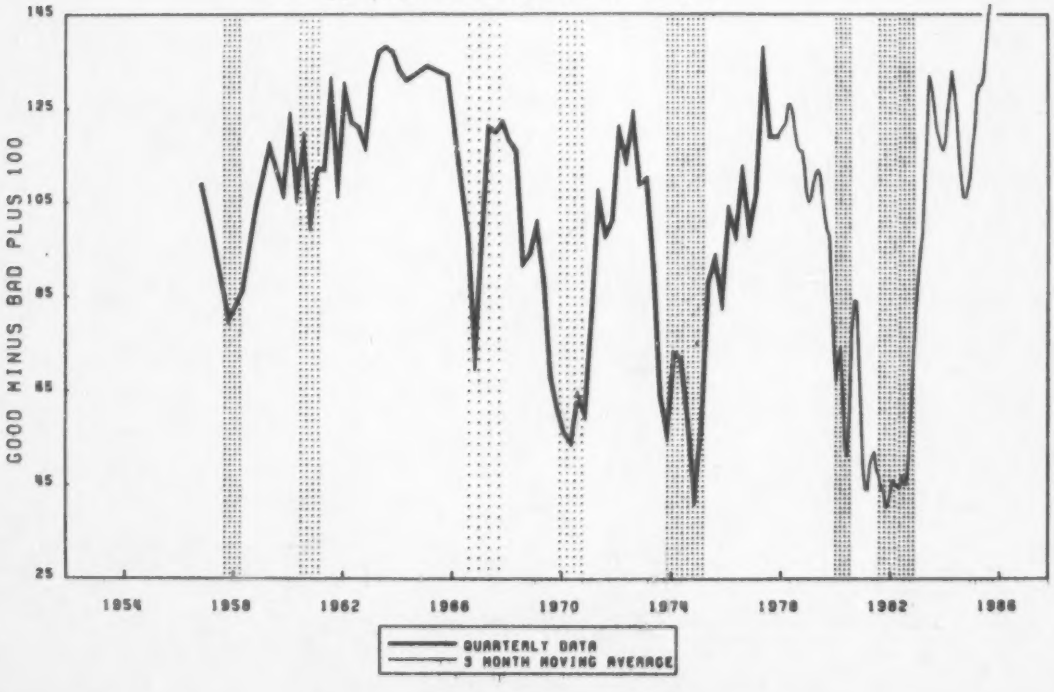


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY	48%	52%	54%	54%	61%	61%	64%	64%	61%	67%	73%	69%	72%
UNCERTAIN, DEPENDS	6	5	4	5	3	4	5	3	4	6	3	6	4
BAD TIME TO BUY	46	43	42	41	36	35	31	33	35	27	24	25	24
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

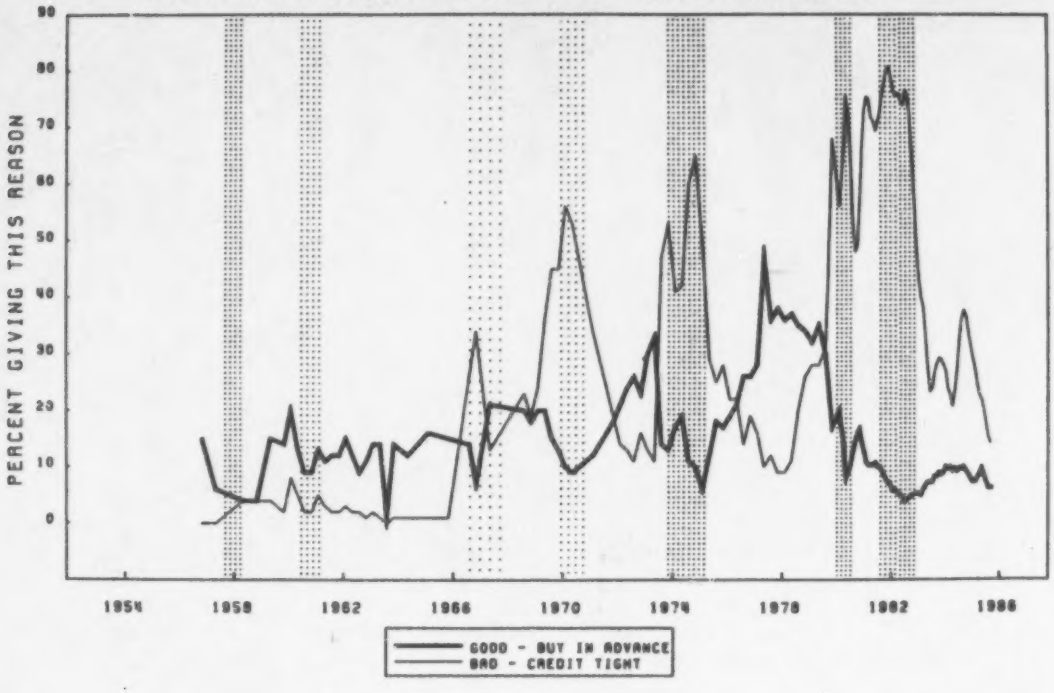


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

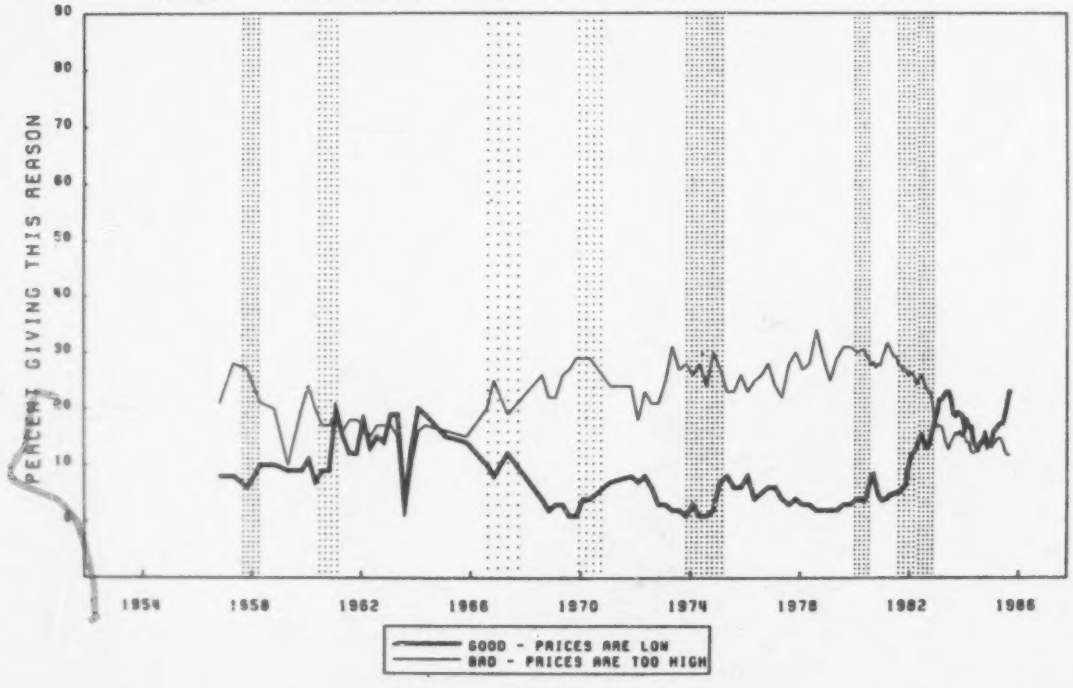


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	14%	15%	11%	17%	15%	16%	18%	17%	17%	18%	22%	23%	24%
Prices won't come down; are going higher	10	9	7	8	7	7	10	9	10	7	5	7	7
Interest rates low; credit is easy	34	35	44	38	49	50	48	47	43	56	57	58	56
Good investment	7	5	7	5	6	6	7	6	6	6	5	7	4
BAD TIME TO BUY:													
Prices are high	16	16	12	13	14	14	15	15	14	12	11	12	12
Interest rates are high; credit is tight	37	33	31	30	27	25	22	21	23	17	13	16	14
Lack of purchasing power	11	10	13	13	12	11	9	12	16	9	11	9	9

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

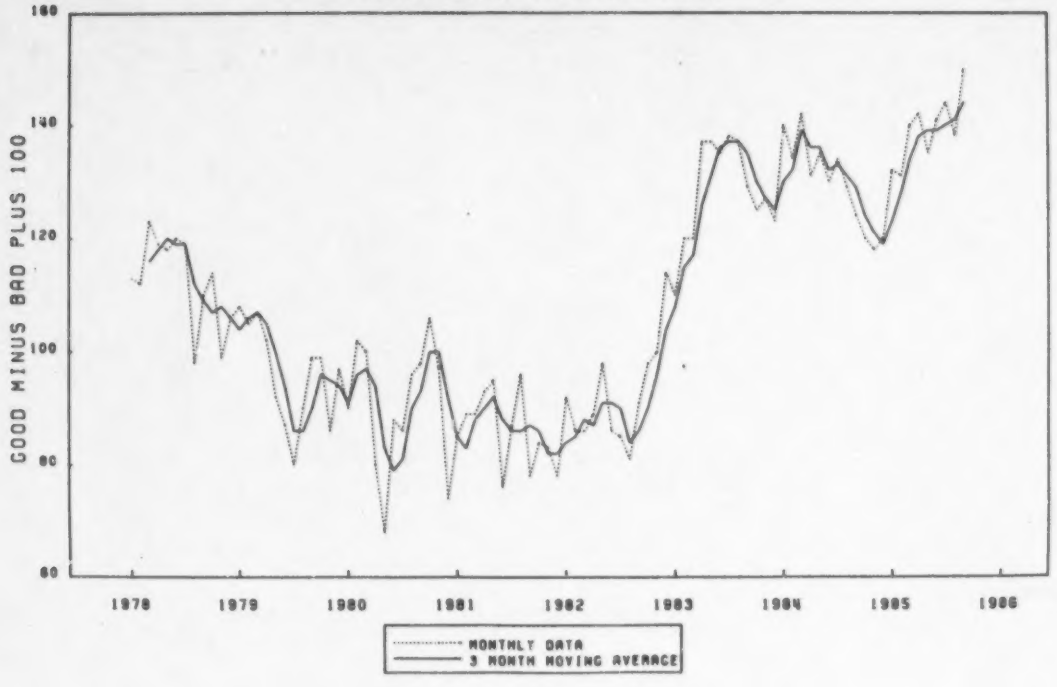


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

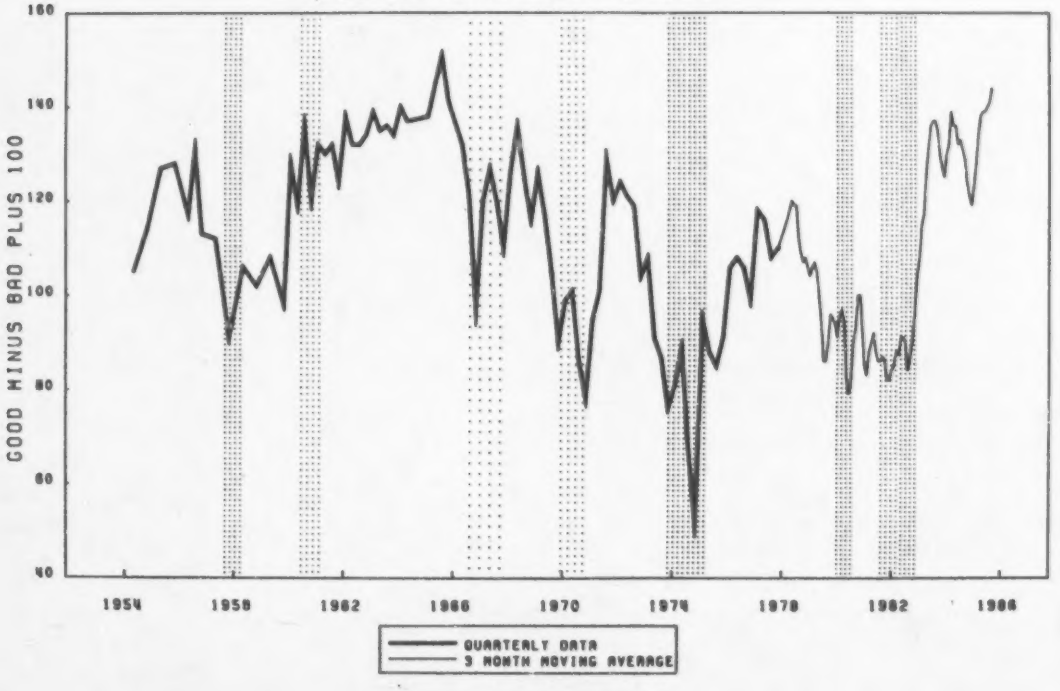


TABLE 30

BUYING CONDITIONS FOR CARS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY	59%	54%	55%	55%	62%	61%	67%	68%	65%	67%	67%	64%	72%
UNCERTAIN; DEPENDS	6	12	8	10	8	9	6	6	5	7	10	10	6
BAD TIME TO BUY	35	34	37	35	30	30	27	26	30	26	23	26	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

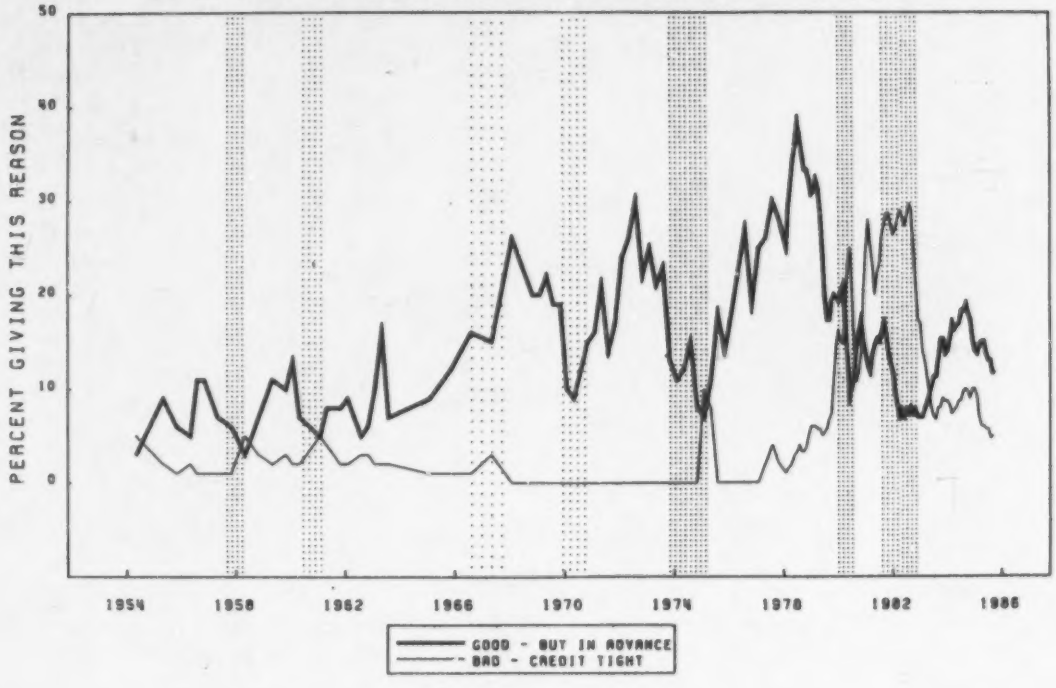


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

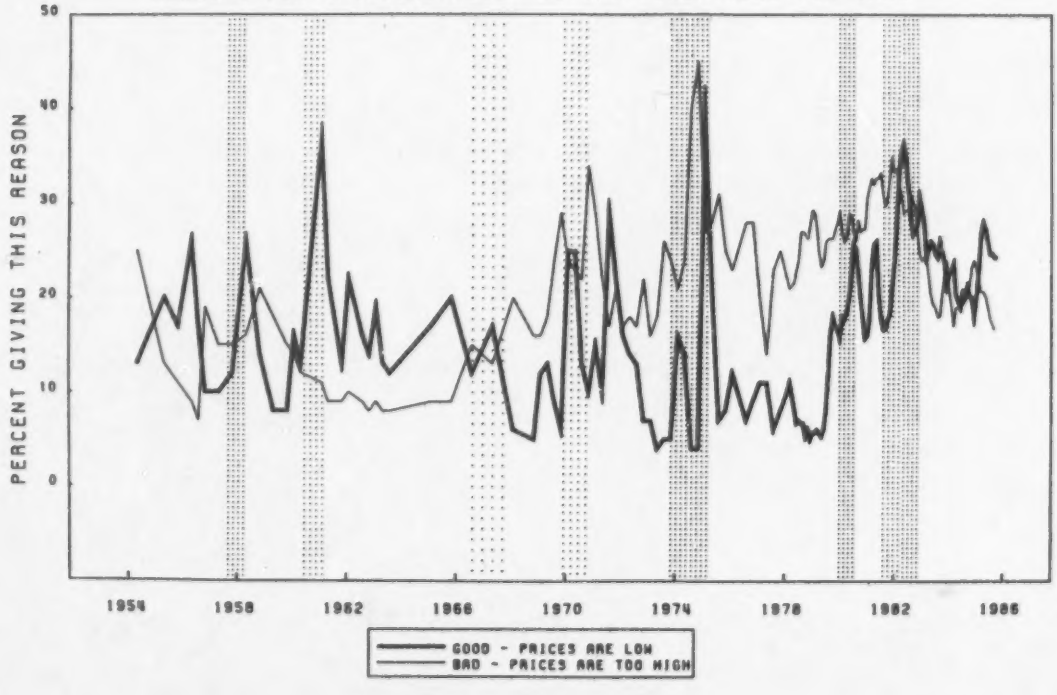


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	18%	18%	18%	24%	26%	30%	28%	24%	26%	24%	24%	25%
Prices won't come down; are going higher	20	17	15	14	13	14	17	14	14	13	12	14	9
Interest rates low; credit is easy	15	14	18	15	23	24	23	25	28	35	35	36	46
New fuel efficient models	1	2	*	2	*	1	1	1	1	1	1	1	1
BAD TIME TO BUY:													
Prices are high	22	23	25	24	21	21	20	21	20	17	17	18	15
Interest rates are high; credit is tight	9	8	10	12	8	8	5	5	8	4	5	5	5
Lack of purchasing power	6	6	8	7	7	6	6	4	6	6	6	4	4
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	3	3	5	4	4	4	3	4	3	4	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 30.

+ May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

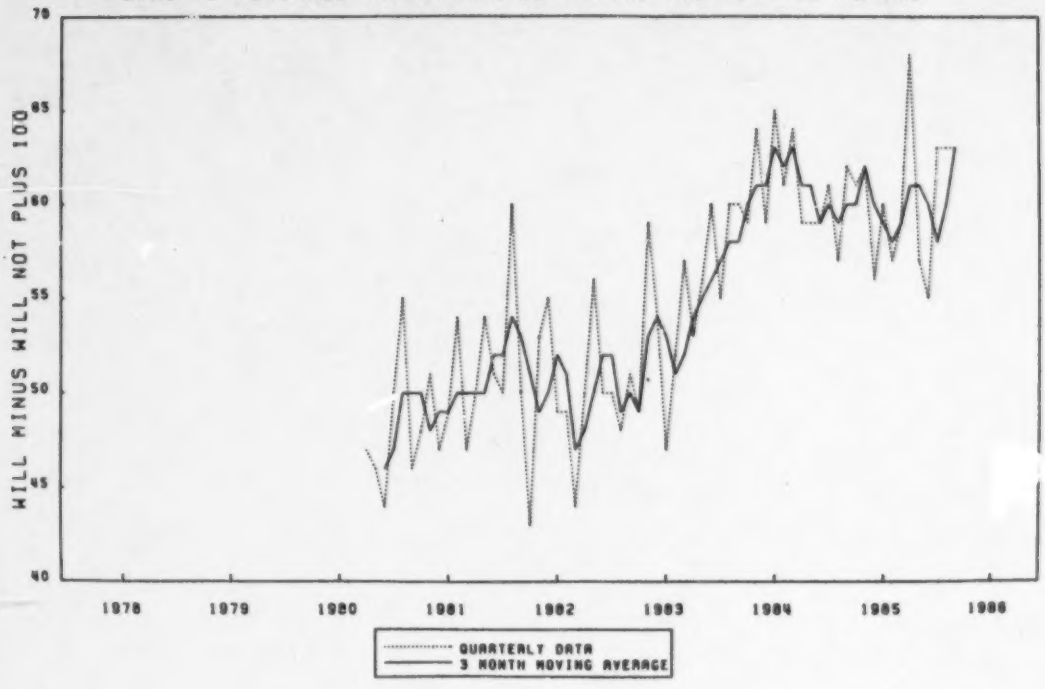


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

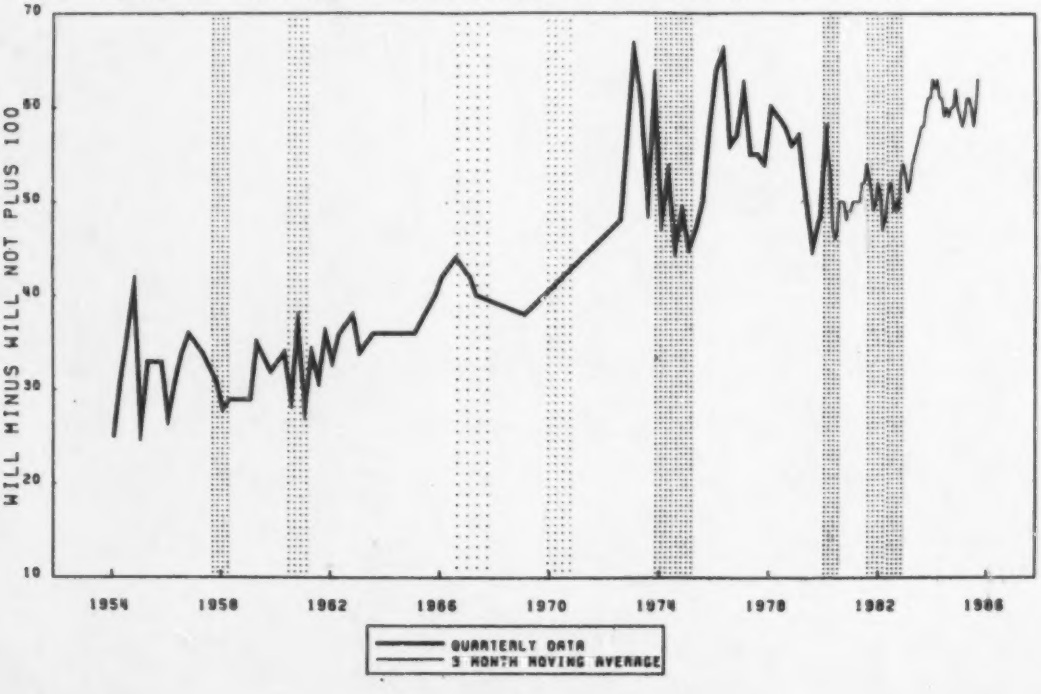


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
PROBABLY WILL BUY	22%	21%	21%	19%	20%	19%	20%	24%	18%	19%	22%	21%	22%
CHANCES ARE EVEN	8	8	9	9	9	9	8	7	9	7	7	7	8
PROBABLY WILL NOT BUY	60	60	59	63	60	62	61	56	61	64	59	58	59
DK,NA	10	11	11	9	11	10	11	13	12	10	12	14	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	706	710	704	640	655	653	675	661	652	641	650	654

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	30%	29%	30%	28%	29%	28%	28%	31%	27%	26%	29%	28%	30%
PURCHASE TYPE:													
Buy new	14	15	15	13	17	15	14	17	14	14	14	14	15
Buy used	13	12	13	13	11	11	13	12	12	10	14	13	13
Lease	2	2	1	1	1	1	1	1	1	2	1	*	1
DK,NA	1	*	1	1	*	1	*	1	*	*	*	1	1
PURCHASE TIMING:													
Next 3 months	1	6	5	3	5	4	2	8	5	1	9	3	3
Next 4-6 months	8	6	7	6	8	9	8	9	7	8	5	6	6
Next 7-9 months	5	7	7	10	7	8	11	6	7	6	5	5	6
10 months or more	10	4	8	7	5	4	5	3	5	6	6	8	9
DK,NA	6	6	3	2	4	3	2	5	3	5	4	6	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985	Sept 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	60%	60%	59%	63%	60%	62%	61%	56%	61%	64%	59%	58%	59%
PURCHASE TYPE:													
Would buy new	34	31	33	34	35	32	35	34	36	37	35	31	35
Would buy used	25	27	25	28	25	28	25	21	25	26	24	26	23
DK,NA	1	2	1	1	*	2	1	1	*	1	*	1	1
PURCHASE TIMING:													
Less than 2 years	5	7	7	7	8	9	6	5	7	8	5	4	5
2 years	21	21	20	23	18	19	21	21	21	24	20	21	19
3 years	11	10	9	10	9	10	10	11	13	10	10	10	11
4 years or more	17	16	17	15	19	17	19	14	16	16	22	19	19
Indefinite	2	1	2	3	2	2	2	1	1	2	1	2	1
DK,NA	4	5	4	5	4	5	3	4	3	4	1	2	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

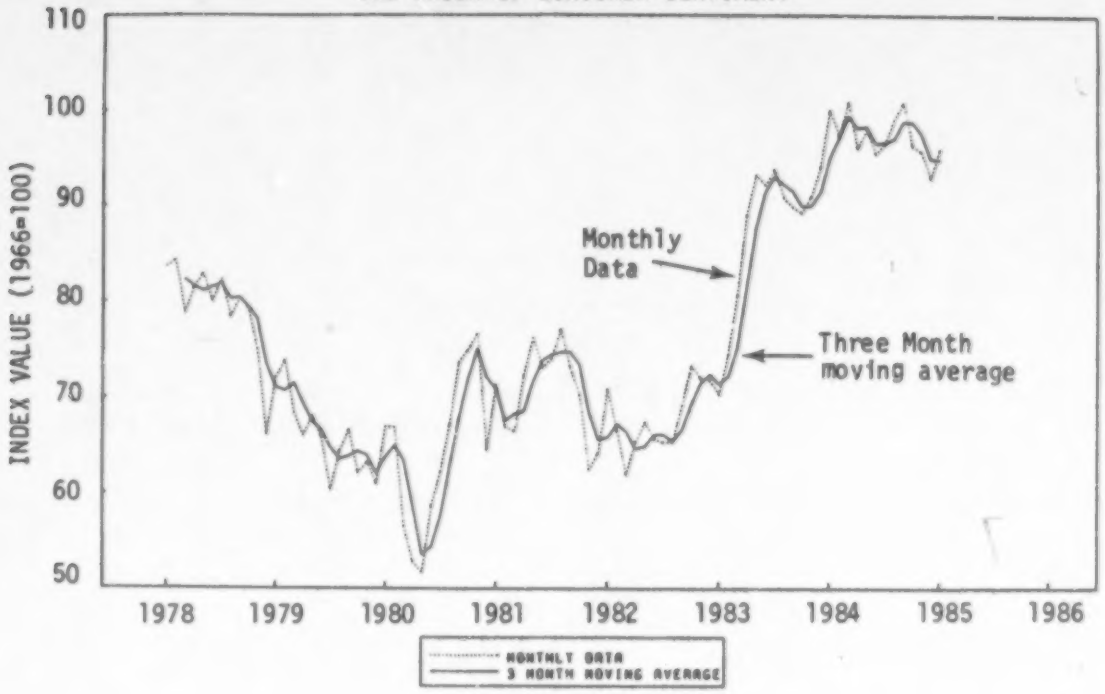
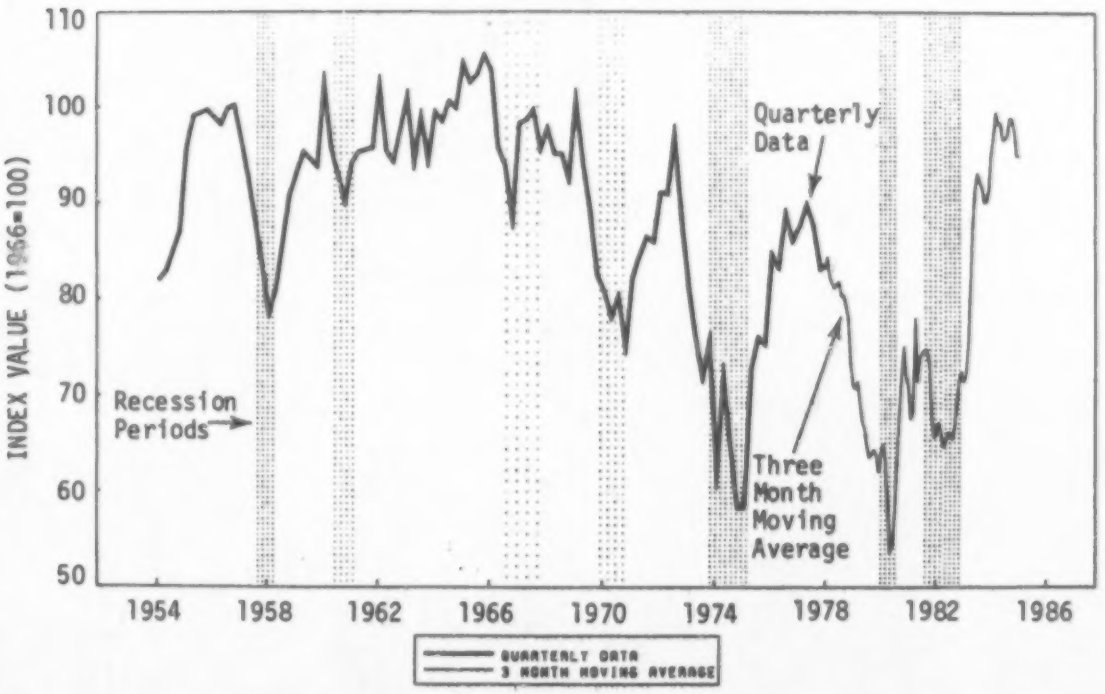


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).